



# **BUDGET** The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information  
Fiscal Year 2015

## **OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees.

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**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS  
BUDGET JUSTIFICATION  
FOR FISCAL YEAR 2015**



**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE  
FOR AMERICAN INDIANS  
BUDGET JUSTIFICATION FOR FISCAL YEAR 2015**

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**Executive Summary**



## Executive Summary

The Congress has designated the Secretary of the Interior as the trustee delegate with the responsibility for approximately 55 million surface acres of land, 57 million acres of subsurface mineral interests, and \$4.6 billion held in trust by the Federal Government on behalf of American Indians and Indian tribes.

In FY 2015, the Office of the Special Trustee for American Indians (OST) will continue its role in the oversight and operations of the fiduciary trust by monitoring trust reform in accordance with applicable congressional actions and regulatory requirements. Proposed current funding supports the Department’s Indian fiduciary trust responsibilities, including accurate accounting for all assets, prudent investing of liquid assets, disbursing funds, and reporting to individual Indians and federally recognized Tribes on asset transactions generated from sales, leasing, and other commercial activities on these lands. Permanent appropriations are receipts and redemptions of non-treasury securities held for tribal trust accounts, which OST manages.

### Total 2015 Budget Request *(Dollars in Thousands)*

<b>Budget Authority</b>	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>2015 Request</b>
Current	<i>138,058</i>	<i>139,677</i>	<i>139,029</i>
Permanent	<i>375,103</i>	<i>384,832</i>	<i>397,219</i>
<b>Total Current and Permanent</b>	<b><i>513,161</i></b>	<b><i>524,509</i></b>	<b><i>536,248</i></b>
<i>FTEs</i>	<i>591</i>	<i>638</i>	<i>638</i>

Note: Current budget authority represents operating funds that are appropriated annually by Congress to the Office of the Special Trustee. Permanent budget authority represents certain funds held by DOI on behalf of Indian Tribes, some of which will be transferred to Tribes provided certain conditions are satisfied, and are considered U.S. Government funds.

### 2015 Budget Highlights

The OST FY 2015 discretionary budget request of \$139.0 million includes program reductions totaling \$1.6 million in Business Management and an increase in fixed costs of \$974,000, resulting in a net request \$648,000 below the FY 2014 enacted budget.

Within Business Management, the Budget, Finance and Administration (BF&A) division is working with U.S. Treasury Department representatives to transition the printing and mailing of Trust Fund statements currently handled by OST trust Services to the Treasury. OST anticipates transition of this function will be complete by FY 2015, resulting in a decrease in BF&A costs to execute Trust support functions. Included in the \$1.6 million program reduction for Business Management is a \$200,000 decrease in funding for the Office of Hearings and Appeals and a \$500,000 decrease in litigation support to reflect OST estimated needs in 2015.

**Analysis of Budgetary Changes**  
**Office of the Special Trustee**  
**For American Indians**  
*(Dollars in thousands)*

FY 2014 to FY 2015 Changes	2015	
	\$000	FTE
<b>Office of the Special Trustee 2014 Enacted</b>	<b>139,677</b>	<b>638</b>
<b><u>Programmatic Changes</u></b>	<b><u>-1,622</u></b>	<b><u>0</u></b>
<b><u>Executive Direction</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>Program Operations and Support</u></b>	<b><u>-1,622</u></b>	<b><u>0</u></b>
<b>Program Operations</b>	<b>0</b>	<b>0</b>
<b>Field Operations</b>	<b>0</b>	<b>0</b>
<b>Appraisal Services</b>	<b>0</b>	<b>0</b>
<b>Trust Services</b>	<b>0</b>	<b>0</b>
<b>Historical Trust Accounting</b>	<b>0</b>	<b>0</b>
<b>Program Support</b>	<b>-1,622</b>	<b>0</b>
<b>Business Management</b>	<b>-1,622</b>	<b>0</b>
<i>Transfer mailing\printing services to Treasury</i>	<i>-922</i>	
<i>Adjustment of litigation support workload</i>	<i>-500</i>	
<i>Improved operational efficiencies in OHA</i>	<i>-200</i>	
<b>Program Management</b>	<b>0</b>	<b>0</b>
<b>Fixed Cost Changes</b>	<b>+974</b>	<b>0</b>
<b>TOTAL, Federal Trust Programs 2015</b>	<b>139,029</b>	<b>638</b>

**Continuous Improvements to Efficient Delivery of Services**

The OST has operational responsibility for financial trust fund management, including receipt, investment, and disbursement of Indian trust funds and for real estate appraisals on Indian trust lands. The OST manages nearly \$4.6 billion held in approximately 3,000 trust accounts for more than 250 Indian Tribes and over 393,000 open Individual Indian Money accounts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

The OST also has responsibility to plan, organize, direct, and execute the historical accounting of Tribal Trust accounts and IIM accounts. This work is accomplished by OST’s Office of Historical Trust Accounting (OHTA), which also works to resolve the ownership of residual balances in special deposit

accounts and distribute account balances to Tribes, individual Indians, and non-trust entities. OHTA provides litigation support resulting from the settlement of *Cobell v. Salazar* and other tribal lawsuits in coordination with the U.S. Department of Justice. Currently 57 tribal trust cases are pending. The OST oversees additional trust functions of the Department carried out by the Bureau of Land Management, Bureau of Indian Affairs, and the Secretary's Offices of Hearings and Appeals and Natural Resources Revenue.

In the past two years, OST has taken aggressive action to increase efficiency and reduce costs - while improving or maintaining services to beneficiaries. Some of these efforts include:

- Receiving an unqualified opinion for the Individual Indian Money (IIM) Trust Fund financial statements during OST's independent annual audit for FY 2013. This is the first time the audit has resulted in an unqualified opinion, informally referred to as a "clean" audit, since the initial audit was prepared in 1995. OST has corrected more than 47 deficiencies and seven material weaknesses.
- Realigning management responsibilities to streamline operations and eliminate overlapping responsibilities, resulting in a reduction in personnel.
- Investing in development of technologies that automate processes and allow us to maintain and improve timeliness and accuracy while managing an increasing workload without a corresponding increase in staff. These automations save more than 4,000 staff hours annually.
- Increasing online training and adopting technologies that have reduced FY 2013 travel costs 30 percent over FY 2012.
- Reducing printing costs.
- Increasing the number of beneficiaries who use direct deposit, electronic funds transfers, or a deposit on a debit resulting in substantial direct savings to the government in transaction costs. In FY 2013, more than 34,000 Individual Indian Money (IIM) account holders elected to receive their disbursements by one of these methods, an increase of 18 percent over FY 2012.
- Consolidating facilities in FY2014, saving more than \$1 million.
- Developing and implementing an electronic appraisal request, preparation, tracking, and reporting system (OASIS) that streamlines creation of appraisal requests originated by the Bureau of Indian Affairs (BIA), the Office of Hearings and Appeals (OHA), or Tribes.
- Creating the Mass Appraisal Program System (MAPS) that includes an automated valuation model to estimate fair market value and fair annual rents. The system results in timely appraisal evaluations.
- Implementing a new process that reduced production of CD's with tribal statements from five days to five minutes, allowing the CD's to be produced on the same day as paper statements. This has fostered tribal interest in electronic statement delivery and facilitated settlement negotiations by allowing Tribes to attest to fund balances in a timely manner.
- Issuing payments totaling \$36 million related to the terms of the Individual Indian Money Account Litigation Settlement, which includes the *Cobell* Settlement. OST updated nearly 20,000 accounts to allow for payment of nearly \$20 million dollars to accountholders whose locations were previously unknown.
- Participating in the Tribal Interior Budget Council (TIBC), which provides a forum and process for tribal representatives to advise OST on priority needs in Indian Country. The TIBC also serves as an

education forum to better inform tribes of the OST budget process and communicate the status of Indian Country initiatives throughout the Federal Government.

Please reference OST's 2013 Annual Report that is included as the last section of this budget justification for a more complete listing of accomplishments.

### **OST Strategic Plan 2014-2018**

In FY 2013, OST completed development of a Strategic Plan. The plan represents the collaborative efforts of OST management and team members from across the organization. It charts a path of continuous improvement through effective planning, implementation, and follow-through over the next five years. The plan updated OST's mission statement, created a new vision statement, established a written set of organizational values, and identified broad strategic areas of focus.

#### **OST Mission Statement**

To honor our trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets.

#### **OST Vision Statement**

To be the premier public service organization dedicated to the Indian Fiduciary Trust.

#### **OST Strategic Plan Focus Areas**

1. Provide superior fiduciary trust management;
2. Continue advancement of government-to-government relations with federally recognized tribes;
3. Effective historical accounting and support of dispute resolution/litigation;
4. Protection and stewardship of beneficiary trust assets through automation, technology, and employee participation; and.
5. 21<sup>st</sup> century workforce and work place.

OST's Strategic Plan aligns with the Department's Strategic Plan and will generate costs savings and efficiency improvements over its five-year timeframe. Progress on the action items in the plan will be tracked and the overall plan will be updated as tasks are completed.

### **Public Law 111-291 - The Claims Resolution Act of 2010 Title I, Individual Indian Money Account Litigation Settlement**

The Individual Indian Money Account Litigation Settlement was finalized November 24, 2012. The legislation ratifies the Class Action Settlement Agreement resulting from the *Cobell v. Salazar* litigation. The Settlement authorizes \$100 million for a Trust Administration Adjustment Fund for payment to Trust Administration Class Members and \$1.9 billion for a Trust Land Consolidation Fund to purchase fractional interests in land within the respective jurisdictions of Indian tribes. The settlement also authorizes a Secretarial Commission on Trust Administration and Reform to conduct a comprehensive evaluation of the Department's management and administration of nearly \$4.6 billion in American Indian trust assets. The Commission was tasked to offer recommendations to improve processes to achieve trust administration that is more responsive, accountable, transparent, and customer-friendly.

**Trust Administration Adjustment Fund**

One outcome of the Settlement requires OST to establish supervised or restricted accounts for minors and individuals deemed *non-compos mentis*. As result, OST deposited \$55 million of the Trust Administration Adjustment Fund into 55,000 supervised accounts, including 39,000 Whereabouts Unknown (WAU) accounts. OST conducts extensive research to obtain the current mailing addresses and verify the ownership of the IIM account holders who are currently WAU. OST has resolved nearly 20,000 WAU accounts so far to allow for payment of nearly \$20 million. The costs associated with the additional workload have been, and will continue to be, absorbed within existing funding. Implementation of the Settlement will continue to impact OST in FY 2015.

**Trust Land Consolidation Fund**

The Land Buy-Back Program is managed out of the Office of the Secretary within the Department. Operational aspects of the Buy-Back Program are housed within OST and BIA; with OST determining land values and BIA performing the realty functions.

**Secretarial Commission on Indian Trust Administration and Reform**

Authorized in the Settlement, the Commission presented its recommendations on potential improvements to the Department's current management and administration of its trust administration system to the Secretary in December 2013. The Commission's report included twenty recommendations considered short-term and do not require regulatory or Congressional action. Implementing these twenty high priority and high-impact recommendations will allow the Department to address immediate concerns regarding bureau/office coordination, standardization of policies and procedures, funds management, customer service management, human resources management, budget and administration, and appraisal services. OST is developing actions plans to implement those recommendations that are within its purview.

**Secretarial Initiatives**

In early FY 2014, Secretary Jewell re-aligned the DOI strategic goals to guide and focus DOI's efforts in FY 2014 and beyond. The OST plays critical roles in the goals and strategies to Strengthen Tribal Nations and contributes to attaining objectives of the Administration's Management Agenda.

**Strengthening Tribal Nations**

As Chairman of the White House Council on Native American Affairs, Secretary Jewell serves an important leadership role working on behalf of the President across Executive Departments, agencies and offices to coordinate efforts in support of tribal self-governance and improved quality of life for Native Americans. The Administration's commitment to American Indians and Alaska Natives is reflected in this request.

OST operations directly support the strengthening of tribal nations through a variety of activities. Field Operations provides education to individuals (including youth) on financial skills training and investment services to Tribes. OST also serves as the primary point of contact for trust beneficiaries in conjunction with their trust assets, providing assistance and information regarding their accounts, receipts, disbursements, probate processing, leasing, and statutory or regulatory changes. The Office of External Affairs promotes self-governance and self-determination through activities such as providing technical

assistance, developing tribal shares packages, and by negotiating P.L. 93-638 contract proposals, funding agreements and program standards. By providing impartial estimates of the value of real property interests, the Office of Appraisal Services facilitates the ability of Tribes and individual Indians to make informed decisions and produce income from their property assets. Trust Services maintains trust funds for individual Indian, Alaska Natives, and Tribes, ensures that receipts are collected and disbursed in a timely manner, and that trust accounts are accurately maintained, invested, and reported to beneficiaries.

### **Administration's Management Agenda**

The Department of the Interior supports the President's Management Agenda to cut waste and implement a government that is more responsive and open. The OST budget supports the Department's plan to build upon the Accountable Government Initiative through a set of integrated enterprise reforms designed to support collaborative, evidence-based resource management decisions; efficient Information Technology (IT) Transformation; optimized programs, business processes, and facilities; and a network of innovative cost controlling measures that leverage strategic workforce alignment to realize an effective 21<sup>st</sup> Century Interior organization. The FY 2015 President's Budget Request includes \$152,000 for OST's participation in the Department's IT Transformation efforts through the Department's Working Capital Fund. These funds will support IT Transformation project-level planning and coordination and the implementation of enterprise IT services.

OST continues to identify and implement new strategies for increasing the efficiency of operations and reduce duplication of effort. OST continues to realize cost savings by partnering with BIA on trust policy development and implementation. Through a partnership with the Office of the Secretary, both the Land Buy Back Program and OST's Appraisal Services anticipate capturing economies of scale for appraisals by tapping new technologies and sharing data.

As part of the Campaign to Cut Waste, OST achieved more than \$600,000 in savings in travel during FY 2013 and will continue to attain, or surpass savings targets through FY 2015. OST is controlling other administrative expenses by initiating internal controls requiring senior-level preapproval of conference-related spending and tracking/reporting funds spent on conferences. OST will limit publication and printing of hard copy documents, using other vehicles to effectively communicate necessary data for public consumption. As implemented with the FY 2014 President's Budget submission, OST will continue to incorporate its Annual Report to Congress in the FY 2015 Congressional budget justification.

In support of the Administration's real property cost savings efforts, OST captured \$1 million in property savings by moving personnel from commercial space into DOI space and reducing staff and contractor space. Beginning in FY 2014, OST will reduce lease space in Albuquerque, NM by 50%, saving approximately \$1 million. OST will attain the Department's target of 180 square feet per person, and continue to find savings by investigating opportunities to co-locate with other entities within the Department.

## 2015 Strategic Objective Performance Summary

The Department of the Interior finalized its updated Strategic Plan for Fiscal Years 2014 – 2018, in early FY 2014. The Plan includes realigned strategic goals to guide and focus DOI's efforts in six mission areas. The context of the Plan reflects the complex mission of DOI and demonstrates how the Department integrates and aligns diverse programs and projects to effectively and efficiently deliver services to the American Public.

OST has also finalized its updated Strategic Plan for Fiscal Years 2014 – 2018. OST's three Strategic Plan performance measures align with, and support Goal 1 within the Department's Mission Area #2: Strengthening Tribal Nations. Budget and program plans for FY 2015 are fully consistent with the goals, outcomes, and measures described in the FY 2014 – 2018 version of the DOI Strategic Plan. OST's Strategic Plan measures are discussed below and presented in the following table.

OST's three Strategic Plan performance measures are key components of the Department's strategy for achieving the goal of Meeting Trust, Treaty, and Other Responsibilities to American Indians and Alaska Natives by fulfilling DOI's fiduciary trust. Considerable efforts and dollars are devoted to managing Indian fiduciary assets, reforming processes, and improving performance. The Department works to ensure that technical and economic assistance is provided to the Tribes, and that organizational and process changes are introduced to address longstanding issues. OST contributes significantly to the Department's achievements through continual improvements in processes that improve efficiency and by achieving or surpassing performance goals. The three OST Strategic Plan measures are:

- ***Percent timeliness of financial account information provided to trust beneficiaries.***  
The percent of timeliness numerator is based on the number of printed and mailed trust beneficiaries account statements divided by the denominator, which is the total number of statements to be mailed. The unit cost of providing timely financial account information to trust beneficiaries is derived by dividing the cost of printing and mailing the account statements by the number of statements mailed per year. OST has demonstrated sustained performance of 100 percent for the last five years for this measure.
- ***Percent of financial information initially processed accurately in Trust beneficiaries' accounts.***  
This measure is also identified as OST's Key Performance Indicator (KPI). The unit cost of a transaction is derived by dividing the total cost of processing transactions by the number of transactions for the year (denominator). Increases in the total number of transactions per year (denominator) are estimated based on historical trends from previous years.

To achieve the Secretary's Indian Fiduciary Trust Responsibilities, OST ensures that financial information initially is processed accurately in trust beneficiaries' accounts at least 99 percent of the time, and has demonstrated sustained performance of 100 percent for the last three years for this measure. OST has established a system of internal controls to ensure that posted transactions are complete and accurate. Additionally, OST monitors processing times to provide assurance that transactions are posted within the targeted timeframes and continually evaluates and refines the system of internal controls. Approximately 816,000 statements are expected to be printed and mailed

during FY 2014.

- ***Percent of oil and gas revenue transmitted by ONRR recorded in the Trust Funds Accounting System (TFAS) within 24 hours of receipt.***

The unit cost for recording revenue in TFAS consists of the portion of the employee's time devoted to this duty divided by the number of business days (usually around 250) on which this function is performed. OST has demonstrated sustained performance of 100 percent for the last three years for this measure.

KEY TO CODES: **Target Codes:** SP = Strategic Plan measures  
 APG = Agency Priority Goal  
 BUR = Bureau specific measure  
**Type Codes:** C = Cumulative Measure

UNK = Prior year data unavailable  
 n/a = information is unknown or cannot be determined at this time  
 A = Annual Measure

<b>Mission Area 2: Strengthening Tribal Nations and Insular Communities</b>								
<b>Goal #1: Meet Our Trust, Treaty, and Other Responsibilities to American Indians and Alaska Natives</b>								
<b>Supporting Performance Measures</b>	<b>TYPE</b>	<b>PY-3 Actual</b>	<b>PY-2 Actual</b>	<b>PY-1 Actual</b>	<b>PY Plan</b>	<b>PY Actual</b>	<b>CY Plan</b>	<b>BY Budget Request</b>
<b>Strategy #2: Fulfill Fiduciary Trust</b>								
Percent of financial information initially processed accurately in trust beneficiaries' accounts. (SP)	A	100.0%	100.0%	100.0%	99.0%	99.9%	99.0%	99.0%
		8,485,028	8,342,464	8,803,464	8,464,500	9,367,301	9,107,750	9,702,000
		8,487,311	8,344,261	8,804,688	8,550,000	9,368,497	9,200,000	9,800,000
<b>Contributing Programs: Trust Services</b>								
Percent timeliness of financial account information provided to trust beneficiaries. (SP)	A	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		787,340	764,553	786,838	800,000	833,022	816,000	816,000
		787,340	764,553	786,838	800,000	833,022	816,000	816,000
<b>Contributing Programs: Budget, Finance &amp; Administration and Information Resource</b>								
Timeliness of Mineral Revenue Payments to American Indians: Percent of oil and gas revenue transmitted by ONRR recorded in the Trust Funds Accounting System within 24 hours of receipt. (SP)	A	100.0%	100.0%	100.0%	99.1%	100.0%	99.0%	99.0%
		154,282,290	280,287,244	372,372,320	153,650,000	634,094,209	628,675,000	693,000,000
		154,282,290	280,287,244	372,372,320	155,000,000	634,094,209	635,000,000	700,000,000
<b>Contributing Programs: Trust Services</b>								

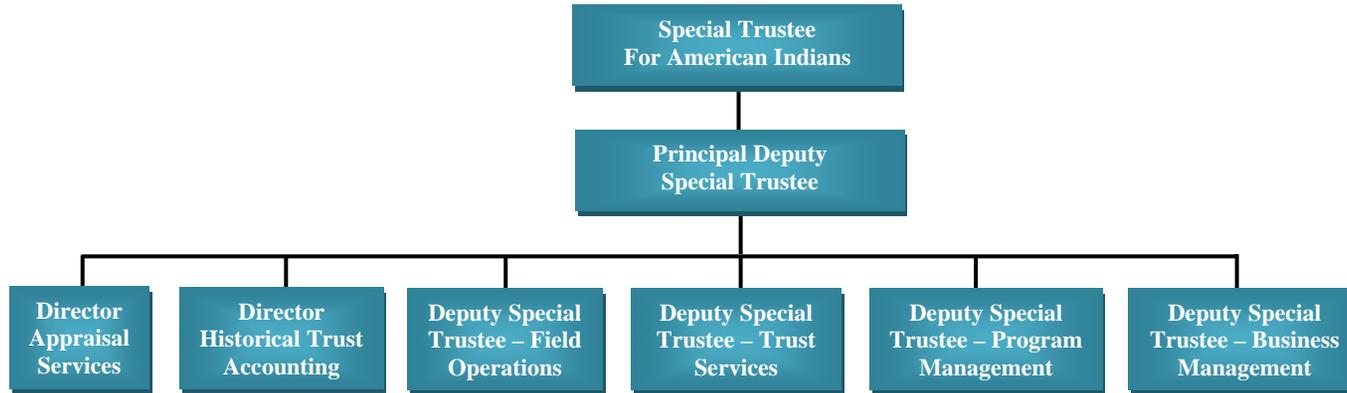
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## **Bureau Level Tables**



### Office of the Special Trustee Organizational Chart



**Office of the Special Trustee for American Indians**  
**Federal Trust Programs**  
**FY 2015 President's Budget**  
**Comprehensive Table**  
*(Dollars in Thousands)*

<b>FY 2015</b>						
Activities	2013 Actual	2014 Enacted	Fixed Costs	Internal Transfers	Program Changes from 2014	2015 President's Budget
<b><u>EXECUTIVE DIRECTION</u></b>	<b>1,693</b>	<b>2,026</b>	<b>5</b>	-	-	<b>2,031</b>
<b><u>PROGRAM OPERATIONS AND SUPPORT</u></b>	<b>136,365</b>	<b>137,651</b>	<b>969</b>	-	<b>(1,622)</b>	<b>136,998</b>
<b>PROGRAM OPERATIONS</b>	<b>86,918</b>	<b>87,482</b>	<b>408</b>	-	-	<b>87,890</b>
Field Operations	24,457	24,747	205	-	-	24,952
Appraisal Services	10,598	10,744	67	-	-	10,811
Trust Services	28,834	28,946	117	-	-	29,063
Historical Trust Accounting	23,029	23,045	19	-	-	23,064
<b>PROGRAM SUPPORT</b>	<b>49,447</b>	<b>50,169</b>	<b>561</b>	-	<b>(1,622)</b>	<b>49,108</b>
Business Management	34,894	34,706	455	-	(1,622)	33,539
Business Management	1,602	1,872	14	78	-	1,964
Budget, Finance & Administration	25,411	24,615	402	-	(1,622)	23,395
<i>[Litigation Support]</i>	[3,986]	[3,986]	-	-	[-500]	[3,486]
<i>[Hearings &amp; Appeals]</i>	[8,216]	[8,716]	-	-	[-200]	[8,516]
Information Resources	6,202	6,599	32	-	-	6,631
External Affairs	1,679	1,620	7	(78)	-	1,549
Program Management	14,553	15,463	106	-	-	15,569
Trust Records	9,284	9,887	76	-	-	9,963
Trust Review & Audit	4,922	4,939	25	-	-	4,964
Risk Management	347	637	5	-	-	642
<b>TOTAL OST</b>	<b>138,058</b>	<b>139,677</b>	<b>974</b>	-	<b>(1,622)</b>	<b>139,029</b>

**Office of the Special Trustee for American Indians**  
**Federal Trust Programs**  
**FY 2015 President's Budget**  
**Budget at a Glance**  
*(Dollars in Thousands)*

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs</b>	<b>Internal Transfers</b>	<b>Program Changes</b>	<b>2015 Request</b>
<b>EXECUTIVE DIRECTION</b>	<b>1,693</b>	<b>2,026</b>	<b>+5</b>	<b>+0</b>	<b>+0</b>	<b>2,031</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>						
<b>PROGRAM OPERATIONS</b>						
Field Operations	24,457	24,747	+205	+0	+0	24,952
Appraisal Services	10,598	10,744	+67	+0	+0	10,811
Trust Services	28,834	28,946	+117	+0	+0	29,063
Historical Trust Accounting	23,029	23,045	+19	+0	+0	23,064
<b>Activity Total, Program Operations</b>	<b>86,918</b>	<b>87,482</b>	<b>408</b>	<b>0</b>	<b>0</b>	<b>87,890</b>
<b>PROGRAM SUPPORT</b>						
Business Management	34,894	34,706	+455	+0	-1,622	33,539
<i>Transfer of Mailing/Printing Services to the U.S. Dept. of the Treasury</i>					[-922]	
<i>Adjustment of litigation support workload</i>					[-500]	
<i>Improved operational efficiencies (OHA)</i>					[-200]	
Program Management	14,553	15,463	+106	+0	+0	15,569
<b>Activity Total, Program Support</b>	<b>49,447</b>	<b>50,169</b>	<b>+561</b>	<b>+0</b>	<b>-1,622</b>	<b>49,108</b>
<b>TOTAL, Federal Trust Programs</b>	<b>138,058</b>	<b>139,677</b>	<b>+974</b>	<b>+0</b>	<b>-1,622</b>	<b>139,029</b>

**Office of the Special Trustee for American Indians**  
**Federal Trust Programs**  
**FY 2015 President's Budget**  
**Summary of Requirements**  
*(Dollars in Thousands)*

	2013 Actual	2014 Enacted		2015 Request						Change from CY (+/-)	
	Amount	Total FTE	Amount	Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		FTE	Amount	FTE	Amount
						FTE	Amount				
<b>EXECUTIVE DIRECTION</b>	<b>1,693</b>	<b>6</b>	<b>2,026</b>	<b>+5</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>6</b>	<b>2,031</b>	<b>+0</b>	<b>+5</b>
<b>PROGRAM OPERATIONS AND SUPPORT</b>											
PROGRAM OPERATIONS											
Field Operations	24,457	217	24,747	+205	+0	+0	+0	217	24,952	+0	+205
Appraisal Services	10,598	71	10,744	+67	+0	+0	+0	71	10,811	+0	+67
Trust Services	28,834	124	28,946	+117	+0	+0	+0	124	29,063	+0	+117
Historical Trust Accounting	23,029	20	23,045	+19	+0	+0	+0	20	23,064	+0	+19
<b>Total, Program Operations</b>	<b>86,918</b>	<b>432</b>	<b>87,482</b>	<b>+408</b>	<b>+0</b>	<b>+0</b>	<b>+0</b>	<b>432</b>	<b>87,890</b>	<b>0</b>	<b>+408</b>
PROGRAM SUPPORT											
Business Management	34,894	88	34,706	+455	+0	+0	-1,622	88	33,539	+0	-1,167
Program Management	14,553	112	15,463	+106	+0	+0	+0	112	15,569	+0	+106
<b>Total, Program Support</b>	<b>49,447</b>	<b>200</b>	<b>50,169</b>	<b>+561</b>	<b>+0</b>	<b>+0</b>	<b>-1,622</b>	<b>200</b>	<b>49,108</b>	<b>+0</b>	<b>-1,061</b>
<b>TOTAL, Federal Trust Programs</b>	<b>138,058</b>	<b>638</b>	<b>139,677</b>	<b>+974</b>	<b>+0</b>	<b>+0</b>	<b>-1,622</b>	<b>638</b>	<b>139,029</b>	<b>+0</b>	<b>-648</b>

**Office of the Special Trustee for American Indians**  
**Justification of Fixed Costs and Internal Realignments**  
*(Dollars in Thousands)*

<b>Fixed Cost Changes and Projections</b>	<b>2014 Total</b>	<b>2014 to 2015 Change</b>
Change in Number of Paid Days The number of paid days does not change between FY2014 and FY2015.	NA	0
Pay Raise The change reflects the salary impact of the programmed 1% pay raise for FY2015 as proposed in the Circular A-11.	NA	+563
Employer Share of Federal Health Benefit Plans The change reflects expected increases in employer's share of Federal Health Benefit Plans. The change rate is 1%, the same as the federal pay raise increase.	NA	+39
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.	2,156	+212
Departmental WCF Information Technology Transformation These funds support IT Transformation project-level planning and coordination and the implementation of enterprise IT services.	68	+84
Worker's Compensation Payments The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for FY 2015 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273. This estimate reflects the full FY2015 bill as received by the Department of Labor.	73	-6
Unemployment Compensation Payments The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499. This estimate is based on the FY2013 actual charges with an applied inflation factor of 1.9%.	0	0
Rental Payments The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	6,052	+82
<b>TOTAL FIXED COSTS</b>		<b>+974</b>

	<b>2015 (+/-)</b>
<b>Internal Realignments and Non-Policy/Program Changes (Net-Zero)</b>	
Internal transfer from External Affairs to Business Management	+/- 78

## MAX Tables/Budget Schedules

(Dollars in millions)

Line No.	Federal Trust Programs Treasury Account ID: 14 – 0120 – 0	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
	<b>Obligations by program activity:</b>			
0001	Program operations, support, and improvements	137	140	139
0002	Executive direction	2	2	2
0900	Total new obligations	139	142	141
	<b>Budgetary Resources:</b>			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	13	17	20
1021	Recoveries of prior year unpaid obligations	3	2	2
1050	Unobligated balance (total)	16	19	22
	<b>Budget authority:</b>			
	Appropriations, discretionary:			
1100	Appropriation	146	140	139
1130	Appropriations permanently reduced	-8		
1160	Appropriation, discretionary (total)	138	140	139
	<b>Spending authority from offsetting collections, discretionary:</b>			
1700	Collected	2	0	0
1701	Change in uncollected payments, Federal Sources	0	3	3
1750	Spending authority from offsetting collections, disc (total)	2	3	3
1900	Budget authority (total)	140	143	142
1930	Total budgetary resources available	156	162	164
	<b>Memorandum (non-add) entries:</b>			
1941	Unexpired unobligated balance, end of year	17	20	23
	<b>Change in obligated balance:</b>			
	Unpaid Obligations:			
3000	Unpaid obligations, brought forward, Oct 1	43	36	33
3010	Obligations incurred, unexpired accounts	139	142	141
3011	Obligations incurred, expired accounts	1	2	2
3020	Outlays (gross)	-144	-145	-144
3040	Recoveries of prior year unpaid obligations, unexpired	-3	-2	-2
3050	Unpaid obligations, end of year	36	33	30
	<b>Uncollected payments:</b>			
3060	Uncollected paymts, Fed Sources, brought forward, Oct 1	0	0	-3
3070	Change in uncollected pymts, Fed Sources, unexpired	0	-3	-3
3090	Uncollected paymts, Fed Sources, end of year	0	-3	-6
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	43	36	30
3200	Obligated balance, end of year	36	30	24
	<b>Budget authority and outlays, net:</b>			
	Discretionary:			
4000	Budget authority, gross	140	143	142
	<b>Outlays, gross:</b>			
4010	Outlays from new discretionary authority	131	136	135
4011	Outlays from discretionary balances	13	9	9
4020	Outlays, gross (total)	144	145	144
	<b>Offsets against gross budget authority and outlays:</b>			
	Offsetting collections (collected) from:			
4030	Federal sources	-2	-3	-3
	<b>Additional offsets against gross budget authority only:</b>			
4050	Change in uncollected paymts, Fed sources, unexpired	0	-3	-3
4052	Offsetting collections credited to expired accounts	0	3	3
4070	Budget authority, net (discretionary)	138	140	139
4080	Outlays, net (discretionary)	142	142	141
4180	Budget authority, net (total)	138	140	139
4190	Outlays, net (total)	142	142	141

Note: Table may not add due to rounding.

## Object Classification

(Dollars in millions)

Object Class	Federal Trust Programs Treasury Account ID: 14 – 0120 – 0	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
	<b>Direct obligations</b>			
	<b>Personnel compensation</b>			
1111	Full time permanent	42	44	44
1115	Other personnel compensation		1	1
1119	Total personnel compensation	42	45	45
1121	Civilian personnel benefits	13	14	14
1210	Travel and transportation of persons	1	1	1
1231	Rental Payments to GSA	3	3	3
1232	Rental Payments to others	6	3	3
1233	Communications, utilities, and miscellaneous charges	2	2	2
1251	Advisory and assistance services	3	3	3
1252	Other services from non-federal sources	41	41	41
1253	Other goods and services from federal sources	10	11	10
1260	Supplies and Materials	1	1	1
1310	Equipment		1	1
1990	Subtotal, obligations, Direct obligations	122	125	124
	<b>Reimbursable obligations</b>			
2252	Reimbursable obligations: Other Services from non-Federal	3	3	3
	<b>Allocation Account - direct:</b>			
	Personnel compensation:			
3111	Full-time permanent	6	6	6
3113	Other than full-time permanent	2	2	2
3119	Total personnel compensation	8	8	8
3121	Civilian personnel benefits	2	2	2
3231	Rental payments to GSA	1	1	1
3252	Other services from non-federal sources	3	3	3
3990	Subtotal, obligations, Allocation Account - direct	14	14	14
9999	Total new obligations	139	142	141

*Note: Table may not add due to rounding.*

(Dollars in millions)

Line No.	Tribal Special Fund Treasury Account ID: 14 – 5265 – 0	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
	<b>Obligations by program activity</b>			
0001	Direct program activity	315	324	334
0900	Total new obligations	315	324	334
	<b>Budgetary Resources:</b>			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	66	52	36
	<b>Budget authority:</b>			
	Appropriations, mandatory:			
1201	Appropriations	301	308	318
1260	Appropriations, mandatory (total)	301	308	318
1930	Total budgetary resources available	367	360	354
	<b>Memorandum (non-add) entries:</b>			
1941	Unexpired unobligated balance, end of year	52	36	20
	<b>Change in obligated balance:</b>			
	Unpaid obligations:			
3000	Unpaid obligations, brought forward, Oct 1	0	0	16
3010	Obligations incurred, unexpired accounts	315	324	334
3020	Outlays (gross)	-315	-308	-318
3050	Unpaid Obligations, end of year	0	16	32
	Memorandum (non-add) entries:			
3100	Obligated balance, start of year	0	0	16
3200	Obligated balance, end of year	0	16	32
	<b>Budget authority and outlays, net:</b>			
	Mandatory:			
4090	Budget authority, gross	301	308	318
	Outlays, gross:			
4100	Outlays from new mandatory authority	0	308	318
4101	Outlays from mandatory balances	315	0	0
4110	Outlays, gross (total)	315	308	318
4160	Budget authority, net (mandatory)	301	308	318
4170	Outlays, net (mandatory)	315	308	318
4180	Budget authority, net (total)	301	308	318
4190	Outlays, net (total)	315	308	318
	<b>Memorandum (non-add) entries:</b>			
5000	Total investments, SOY: Federal securities: Par value	66	51	52
5001	Total investments, EOY: Federal securities: Par value	51	52	54
5010	Total investments, SOY: non-Fed securities: Market value	464	474	485
5011	Total investments, EOY: non-Fed securities: Market value	474	485	500

Note: Table may not add due to rounding.

(Dollars in millions)

Line No.	Tribal Trust Fund Treasury Account ID: 14 – 8030 – 0	FY 2013 Actual	FY 2014 Estimate	FY 2015 Estimate
	<b>Obligations by program activity</b>			
0001	Direct program activity	103	130	171
0900	Total new obligations	103	130	171
	<b>Budgetary Resources:</b>			
	Unobligated balance:			
1000	Unobligated balance brought forward, Oct 1	40	50	67
	Budget authority:			
	Appropriations, mandatory:			
1201	Appropriations, mandatory:	74	76	79
1260	Appropriations, mandatory (total)	74	76	79
1930	Total budgetary resources available	114	126	146
	<b>Memorandum (non-add) entries:</b>			
1941	Unexpired unobligated balance, end of year	11	11	11
	<b>Change in obligated balance:</b>			
	Unpaid Obligations			
3010	Obligations incurred, unexpired accounts	103	130	171
3020	Outlays (gross)	-103	-130	-171
3050	Unpaid obligations, end of year	0	0	0
	<b>Budget authority and outlays, net:</b>			
	Mandatory:			
4090	Budget authority, gross	74	76	79
	Outlays, gross:			
4100	Outlays from new mandatory authority	0	76	79
4101	Outlays from mandatory balances	103	0	0
4110	Outlays, gross (total)	103	76	79
4160	Budget authority, net (mandatory)	74	76	79
4170	Outlays, net (mandatory)	103	130	171
4180	Budget authority, net (total)	74	76	79
4190	Outlays, net (total)	103	76	79
	<b>Memorandum (non-add) entries:</b>			
5000	Total investments, SOY: Federal securities: Par value	40	11	11
5001	Total investments, EOY: Federal securities: Par value	11	11	12
5010	Total investments, SOY: non-Fed securities: Market value	125	134	137
5011	Total investments, EOY: non-Fed securities: Market value	134	137	141

Note: Table may not add due to rounding. FY 2014 and FY2015 estimates are updated from the estimate included in the Appendix, Budget of the United States Government, Fiscal Year 2015.

**Office of the Special Trustee for American Indians**  
**Employee Count by Grade**

*(Total Employment)*

		<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
		<b>Actuals</b>	<b>Estimate</b>	<b>Estimate</b>
Executive Level II		0	1	1
SES		10	10	10
	Subtotal	10	11	11
SL - 00		0	0	0
ST - 00		0	0	0
	Subtotal	0	0	0
GS/GM -15		36	39	39
GS/GM -14		91	96	96
GS/GM -13		88	92	94
GS -12		36	44	42
GS -11		23	29	29
GS -10		0	0	0
GS - 9		28	31	33
GS - 8		21	21	21
GS -7		152	163	166
GS - 6		28	32	32
GS - 5		47	47	47
GS - 4		19	19	19
GS - 3		0	0	0
GS - 2		0	0	0
GS -1		0	0	0
	Subtotal	569	613	618
Other Pay Schedule Systems		1	1	1
<b>Total employment (actuals &amp; estimates)</b>		<b>580</b>	<b>625</b>	<b>630</b>

## Section 404 Compliance

OST adheres to the requirements of Section 404 contained in the Department of the Interior, Environment and Related Agencies Appropriations Act, 2014, requiring agencies to present in their annual budget justification any external and internal administrative costs, overhead charges, deductions, reserves, or holdbacks from programs, projects, and activities to support government-wide, Departmental, and OST administrative functions or headquarters, regional, or central office operations.

OST generally budgets for these support costs in the Budget, Finance, and Administration (BF&A) line item within the Business Management division in the Program Support subactivity. The largest of these centralized costs includes funding for Human Resources, space, and working capital fund activities. OST plans to charge the Federal Trust Programs' budgets for costs associated with centralized service contracts for security, Human Resources, Acquisitions, and Accounting support. These charges are allocated based on either the number of people in each program, funds obligated, or the program's percentage of transactions. Space costs at the Department's Main Interior Building (MIB) and American Indian Records Repository (AIRR) will be charged based on square feet utilized by those programs located at the MIB and AIRR.

	<b>2015 Estimate</b>
<b>Working Capital Fund Administrative Costs</b>	
WCF Centralized Billings	\$2,290,617
WCF Direct Billings	\$3,218,323
<b>Total WCF Costs</b>	<b>\$5,508,940</b>

Of the WCF Direct Billings, those charges related to Information Resources are charged directly to that program; all others are paid by BF&A.

<b>External Administrative Costs</b>	<b>FY 2015 Estimate</b>
Human Resources Support	\$1,330,086
Acquisition Support (included in WCF Centralized billing)	\$1,604,574
Accounting Support (included in WCF Centralized billing)	\$524,655
Security	\$261,878
Space Rental	\$1,777,169
<b>Chargeback Estimate</b>	<b>\$5,498,362</b>

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**Language Citations**



## Appropriation Language

### *Federal Funds*

#### Federal Trust Programs

(Including Transfer of Funds)

For the operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, [\$139,677,000] \$139,029,000, to remain available until expended, of which not to exceed [\$23,045,000] \$23,061,000, from this or any other Act, may be available for historical accounting: Provided, That funds for trust management improvements and litigation support may, as needed, be transferred to or merged with the Bureau of Indian Affairs and Bureau of Indian Education, "Operation of Indian Programs" account; the Office of the Solicitor, "Salaries and Expenses" account; and the Office of the Secretary, "Departmental Operations" account: *Provided further*, That funds made available through contracts or grants obligated during fiscal year [2014] 2015, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: [*Provided further*, That, notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss:] *Provided further*, That, notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least 18 months and has a balance of \$15 or less: *Provided further*, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder: *Provided further*, That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or Tribal accounts after September 30, 2002: *Provided further*, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose: *Provided further*, the Secretary shall not be required to reconcile Special Deposit Accounts with a balance of less than \$500.00 unless the Office of the Special Trustee receives proof of ownership from a Special Deposit Accounts claimant. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2014.*)

## Justification of Proposed Language Changes

1. Deletion of the following wording:

*[Provided further, That, notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss;]*

The FY 2015 President's Budget proposes to eliminate language in the Office of the Special Trustee for American Indians that extends the time when the statute of limitations can begin regarding tribal and individual Indian mismanagement claims. Congress confirmed the *Cobell v Salazar* Settlement Agreement in the Claims Resolution Act of 2010, Pub. Law 111-291, resolving a great number of individual Indian claims, and several Indian tribes have entered into settlement agreements. Those Tribes and individuals who believe they have a reason to dispute the management of their trust funds have already filed suit at this point and any other beneficiaries who wish to file suit will have seven years to file a claim after identification of potential mismanagement. Moreover, recent court opinions can be read to interpret the provision as having the unintended effect of reviving previously barred lawsuits, in addition to extending the time limit for filing such lawsuits indefinitely.

2. Addition of the following provision:

*Provided further, the Secretary shall not be required to reconcile Special Deposit Accounts with a balance of less than \$500.00 unless the Office of the Special Trustee receives proof of ownership from a Special Deposit Accounts claimant.*

Special Deposit Accounts (SDA ) are intended as temporary holding accounts for the deposit of trust funds that could not be immediately credited to rightful account owners for a variety of reasons. The language change allows OST to merge all SDAs with balances of less than \$500.00 (Low Dollar SDA) into one holding account. OST will maintain a record of the SDA that constitute the consolidated account. If a putative SDA account owner comes forward with documentation sufficient to prove ownership (and heirship if necessary), without additional research or documentation, OST will process a Recommended Action Form with the putative owner's documentation and will disburse funds to the putative account owner.

OST's SDA Project began in 2002 when there were 17,780 SDA with a total principal of \$61 million. As of June 2013, 7,200 of the 10,260 remaining SDA are now Low Dollar SDA with balances totaling \$637,000. Most of the Low Dollar SDA started out with large principal amounts. Over time, collections were reconciled, ownership identified, and successful disbursements drove the account into Low Dollar SDA status.

The Low Dollar SDA are highly complex accounts requiring extensive research or are lacking in readily accessible documentation required to determine ownership of funds. The current 7,200 Low Dollar SDA cost the government \$49 per year per account, or \$352,800 annually, to keep the SDA open. If these

accounts are left open for 33 years (the time estimated to conduct the research and distribute the remaining SDA at current funding levels), the total expense would grow to \$11.6 million.

No appropriated funds will be expended analyzing or reconciling Low Dollar SDA included in the holding account. OST will devote the entire \$2.5 million appropriated for this annually to research the remaining High Dollar SDA, those with balances of \$500.00 or greater.

## Appropriation Language and Citations

1. For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants,
  - **25 U.S.C. 450(f)(a) and 450h(a)** directs the Secretary, upon the request of any Indian tribe, to enter into a contract or contracts to plan, conduct, and administer programs which the Secretary is otherwise authorized to administer (P. L. 93-638, as amended).
  - **31 U.S.C. Chapter 63** provides procedures to be followed in the preparation of Federal contracts, grants, and cooperative agreements.
  - **25 U.S.C. 458(cc)** provides procedures to be followed to establish and implement tribal self-governance compacts.
  - **25 U.S.C. 162a** authorizes the deposit and investment of Indian trust funds.
  - **25 U.S.C. 4001 et seq.** provides procedures to be followed for tribal withdrawal of trust funds, and authorizes the Office of the Special Trustee for American Indians.
  - **25 U.S.C. 459 et seq.** includes numerous provisions affecting specific tribes related to distribution of claims, settlements, and judgments.
2. To remain available until expended
  - **25 U.S.C. 13a** authorizes the carryover of funds, which were not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such sums were appropriated.
3. That funds for trust management improvements and litigation support may be transferred, as needed, to the Bureau of Indian Affairs ...and to the Departmental Management...
  - **25 U.S.C. 4043(b) (1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs)... and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge his trust responsibilities in compliance with this chapter. This language also provides the authority for OST to transfer funds to the Office of Hearing and Appeals to address probate backlog reductions as part of trust reform efforts and to the Office of the Solicitor for litigation support.
4. That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 2007, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee:

- **25 U.S.C. 450(i) (c)** authorizes funds obligated for tribal contracts to remain available until expended.
5. That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least eighteen months and has a balance of \$15.00 or less:
- **25 U.S.C. 4043(b)(1)** authorizes the Special Trustee to oversee all reform efforts within the Bureau (of Indian Affairs)... and to ensure the establishment of policies, procedures, systems and practices to allow the Secretary to discharge his/her trust responsibilities in compliance with this chapter.
  - **25 U.S.C. 4041 et seq.** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
6. That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder.
- **25 U.S.C. 4041 et seq.** requires the reform of trust practices to promote the effective discharge of the Secretary's trust responsibilities.
7. That not to exceed \$50,000 is available for the Secretary to make payments to correct administrative errors of either disbursements from or deposits to Individual Indian Money or tribal accounts after September 30, 2002: Provided further, That erroneous payments that are recovered shall be credited to and remain available in this account for this purpose.
- Interior and Related Agencies Appropriation Act, FY 2002. Annual Appropriations Acts have continued this provision each year since FY 2002.
8. *Provided further, the Secretary shall not be required to reconcile Special Deposit Accounts with a balance of less than \$500.00 unless the Office of the Special Trustee receives proof of ownership from a Special Deposit Accounts claimant.*
- **American Indian Trust Management Reform Act of 1994, P.L. 103-412, esp. Title I**  
The Dawes Act of 1887 and subsequent statutes continuing the allotment process prevent OST from making an operational decision to eliminate reconciliation of low dollar value Special Deposit Accounts. The Dawes Act established the process of creating allotments and the split style of ownership. The Act also charged the Department of the Interior with the responsibility to manage the allotted lands, collect revenue earned on those trust lands, and to pay the earned revenue to the equitable owners of the land.

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**Executive Direction**



**Activity: Executive Direction**  
**Subactivity: Immediate Office of the Special Trustee**

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Executive Direction</b>	<b>1,693</b>	<b>2,026</b>	<b>+5</b>	<b>+0</b>	<b>+0</b>	<b>2,031</b>	<b>+5</b>
Executive Direction	1,693	2,026	+5	+0	+0	2,031	+5
<i>FTE</i>	6	6	+0	+0	+0	6	0

**Program Overview**

**Executive Direction (\$2,031,000/ 6 FTE)** - The Special Trustee is charged with general oversight of Indian trust asset reform efforts Department-wide to ensure proper and efficient discharge of the Secretary’s fiduciary trust responsibilities to federally recognized Indian Tribes, Alaska Natives, and individual Indians. OST was created to ensure that the Department establishes appropriate policies and procedures, develops necessary systems, and takes affirmative actions to reform the management of Indian trust funds. In carrying out the management and oversight of Indian trust funds, the Secretary has a responsibility to ensure that trust accounts are properly maintained, invested, and reported in accordance with the *American Indian Trust Fund Management Reform Act of 1994*, Congressional action, and other applicable laws. Funds provided for OST directly contribute to the appropriate oversight needed to further the Department’s Indian fiduciary trust responsibilities.

OST supports legislative proposals addressing needed technical corrections and administrative improvements for implementing trust reform, which will continue to improve services to Indian trust beneficiaries.

Executive leadership and guidance provided by the immediate office affects performance at all levels of OST, including the delivery of beneficiary services, promoting tribal self-governance and self-determination, managing financial trust assets and monitoring all efforts to reform and improve the manner in which the Department conducts its Indian fiduciary trust responsibilities. In addition, OST continues to promote better integration of budget and performance, develop a workforce plan that ensures a skilled workforce now and in the future, and properly account for financial resources.

**2015 Program Performance**

- Consolidate recommendations of the Secretarial Commission on Indian Trust Administration and Reform with goals and strategies identified in OST’s FY 2014-FY 2018 Strategic Plan and recommendations from the FY 2012 Efficiency Study. Continue implementing high priority plans to achieve near and intermediate term goals.
- Provide oversight, guidance, and implementation of reform activities.
- Provide direction for special projects, programs, and highly sensitive issue areas of Congressional, Departmental, OMB, or Secretarial concern.

- Oversee trust activities throughout the Department – program managers are expected to advise the Office on a number of complex and sensitive issues relating to organization, reengineering, ongoing litigation and other trust activities.
- Support the work of the Special Trustee’s Advisory Board.
- Create informed partnerships with other bureau and office directors in the Department to achieve positive trust reform outcomes.
- Provide leadership in the implementation of all aspects of the Individual Indian Money Account Litigation Settlement.

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## **Program Operations**



**Activity: Program Operations and Support**  
**Subactivity: Field Operations**

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Program Operations</b>							
Field Operations	24,457	24,747	+205	+0	+0	24,952	+205
<b>Total</b>	<b>24,457</b>	<b>24,747</b>	<b>205</b>	<b>0</b>	<b>0</b>	<b>24,952</b>	<b>205</b>
<i>FTE</i>	<i>220</i>	<i>217</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>217</i>	<i>+0</i>

**Program Overview**

**Field Operations (\$24,952,000/217 FTE)** - Field Operations is the primary point of contact for trust beneficiaries (Tribes, individual Indians, and Alaska Natives) seeking information and services in conjunction with their trust assets. The field staff assists beneficiaries on a daily basis at regional, agency, and urban locations regarding account statements, account balances, account updates, receipts, disbursements, probate processing, leases, and leasing. Other trust asset information important to beneficiaries, such as statutory or regulatory changes affecting trust asset management, is also provided.

Field Operations plays a key role in leading the Department's outreach efforts to beneficiaries. Outreach events include staff attendance at community meetings and pow-wows with a focus on providing information on asset management and trust reform initiatives, as well as holding financial skills training for Individual Indian Money (IIM) beneficiaries throughout Indian Country. As a result of implementation of the Individual Indian Money Account Litigation Settlement (Cobell), Field Operations will also provide outreach support to promote understanding of the Tribal Nations Land Buy-Back Program's purpose in acquiring fractional interests in trust or restricted lands under a reimbursable support agreement with the Office of the Secretary within the Department of the Interior.

Regional Trust Administrators (RTAs) and Fiduciary Trust Officers (FTOs) in selected locations provide the managerial presence for responsive and proactive beneficiary services at the local level in cooperation and collaboration with BIA and other Departmental Agencies engaged in Indian trust matters.

Beneficiary accounts for whom OST does not have a current address are referred to as "Whereabouts Unknown" (WAU) account holders. In FY 2013, OST received \$39 million in trust from Cobell Stage I payments for WAU account holders, and an additional \$16 million for supervised accounts. To facilitate disbursement of these funds, Field Operations is significantly increasing its outreach efforts to locate WAU account holders. In February 2014, the court ordered payments to an additional 12,558 individuals and disbursement of Stage II payments is anticipated in FY 2014. As a result of these two events, OST will experience a large volume of accounts lacking current addresses, requiring increased efforts in the location of WAUs.

RTAs provide technical assistance on trust matters, supporting the Department of the Interior in meeting its fiduciary obligations to individual Indians, Alaska Natives, and Tribes. This assistance includes responding to complex Congressional, tribal, and individual beneficiary inquiries; monitoring statutory and regulatory developments; and providing risk management and litigation support activities. RTAs provide direct line authority and supervision to 45 agency level FTOs. In addition, they are responsible for reviewing and authorizing complex and high dollar trust transactions.



Fiduciary Trust Officer and staff conducting beneficiary outreach.

The FTOs are located across Indian Country and in select urban locations with significant trust beneficiary populations. This local presence allows beneficiaries easy, direct access to individuals dedicated to meeting their trust needs. FTOs and support staff provide beneficiaries with convenient access to trust account information and other trust products and services. FTOs, like the RTAs, are delegated with disbursement approval authority and oversight responsibility. The goal is to provide services to beneficiaries that are trusted, timely, accurate, and responsive to their needs. FTO responsibilities include coordinating trust asset management activities with the BIA and other related government agencies in their respective geographic area. FTOs provide guidance to support staff in the examination, verification, and management of accounts and accounting information. They also ensure that responses to trust beneficiary requests are tracked and addressed courteously, and accurately. The FTOs' focus on beneficiaries enhances the Department's ability to meet its trust obligations to individual Indians, Alaska Natives, and Tribes.

The Trust Beneficiary Call Center (TBCC), located in Albuquerque, New Mexico, is a nationwide toll free call center (1-888-678-6836) that provides convenient "one-stop" service for beneficiary inquiries. The call center's operating hours are 7:00 AM to 6:00 PM MT Monday through Friday and 8:00 AM to Noon MT on Saturday. At their convenience, beneficiaries can easily access information and assistance regarding a wide range of account information by calling the toll free number. Additionally, beneficiaries may request a disbursement from, or an update to, their IIM account. The TBCC also responds to written beneficiary requests.

The TBCC also implemented a tracking and case management tool for the BIA Social Services Program to improve communication and collaborative efforts between OST and BIA for the management of supervised accounts. Contract personnel trained on various trust beneficiary issues and with access to all trust systems make up the majority of TBCC staff. Field Operations monitors the contractor's work and provides technical direction, guidance and managerial direction as needed.

Over a period of eight years, the call center has received over 1.1 million calls and provided first-line resolution for over 95 percent of call requests. First-line resolution by TBCC means that the call center is able to address the beneficiary's inquiry without referring the caller to the field offices for assistance.

This level of first-line resolution is substantially higher than the industry average of 49 percent for government and non-profit organizations and allows BIA and OST field staff to focus on other trust duties. Occasionally, the complexity of a beneficiary's inquiry requires OST staff to obtain information from other agencies within the Department of the Interior.

During the period of Individual Indian Money Account Litigation Settlement Stage I payments, the TBCC received an additional 10,500 calls per month. It is anticipated that Stage II disbursements will result in a similar increase in beneficiary inquiries. Historical trend analysis suggests that, depending upon the role of the TBCC in the Land Buy-Back program, the TBCC will receive between 215,000 to 234,000 inquiries for FY 2014.

In the first two months of FY 2014, Field Operations staff identified 4,911 WAU account holders, updated their addresses, and distributed \$5 million to these beneficiaries. The combination of increased call volume and updating of account holder records significantly increased Field Operations' workload. During FY 2013, Field Operations located approximately 32,885 WAU account holders with total account balances in excess of \$37.9 million. At the end of FY 2013, there were 65,595 WAU beneficiaries representing \$91.7 million that will require the continued efforts of Field Operations to locate these account holders.

The Field Operations Service Center tracking system is utilized by all field staff to track requests, avoid duplication, and assure that beneficiaries receive consistent responses and information. In FY 2014, the TBCC tracking system will continue to be used to develop paperless automated beneficiary accounting transactions, thus eliminating manual processing and streamlining the processes. In FY 2014 Field Operations anticipates a conversion to a new automated program (Service Manager) that will require remapping of all existing data fields and forms, to accommodate the new version and interface with the current Service Center databases.

In FY 2013, the Office of Trust Fund Investments (OTFI) was transferred from Trust Services to Field Operations. OTFI manages in-house approximately 2,000 separate tribal investment portfolios and the IIM Fund portfolio which has more than 350,000 individual account holders. Additionally, Field Operations is working closely with the Secretary's Indian Water Rights Office, to ensure that water settlements contain language to adequately address investment needs that will be handled by the OTFI.

### **2015 Program Performance**

In FY 2014, Field Operations will meet its fiduciary obligations to individual Indians, Alaska Natives, and Tribes by providing beneficiaries with a dedicated primary point of contact focused on providing beneficiary services in a timely, courteous, and accurate manner. Specifically, Field Operations will take the following actions:

- Support implementation of the Individual Indian Money Account Litigation Settlement (Cobell) payout process by locating WAU account holders.

- Maintain and enhance strategic partnerships with the Department's bureaus and offices with Indian trust responsibilities. These partnerships enhance communication with beneficiaries and promote a beneficiary focus throughout the Department.
- Continue interaction with tribal, individual Indian, and Alaska Native beneficiaries through local community outreach programs focused on asset management and trust reform initiatives. Community outreach informs beneficiaries of current trust initiatives and services available to them. Through outreach programs - Field Operations is- the primary point of beneficiary contact, with an additional channel of communication to reach beneficiaries who might not otherwise be in contact with the Department. These outreach events are usually in partnership with other agencies or organizations that can assist beneficiaries by providing information or services relevant to the management of individual and tribal trust assets.
- Continue interactions with tribal leaders to discuss investment of tribal trust funds (including investment training), land management and other issues important to the Tribes and their communities.
- Continue interactions with Indian organizations to promote and support trust initiatives.
- Continue to participate in the implementation and continuation of reform initiatives with BIA and other government entities. The participation of Field Operations in trust reform initiatives ensures that these efforts are effective at the local level.
- Proactively identify and assist in the implementation of additional reform activities as needed, in support of ever-evolving program areas such as trust program training, developing policies and procedures, streamlining business processes, risk, and records management. As the primary point of beneficiary contact, Field Operations is uniquely situated to identify and respond to evolving beneficiary needs.
- Provide financial skills training to IIM beneficiaries throughout Indian Country as an integral part of its community outreach activities. This training uses culturally sensitive techniques and methods geared to Native American audiences. Topics include balancing checkbooks, applying for credit, reading a credit application, budgeting, investing, and planning for the future. There will be a special effort to offer this training to minors approaching the age of majority through the deployment of an online curriculum. Minors will learn to handle income to build financial stability. The training will also help elders with the special challenge of managing resources they may consider leaving to their heirs.
- Respond to 90 percent of beneficiary inquiries within two business days and respond to the balance of these inquiries within 30 days.
- Actively support self-determination efforts by engaging Tribal and individual Indian beneficiaries in the management of their trust assets.
- Continue to advocate establishing direct deposit or debit card capabilities for individual Indian and Alaska Native beneficiaries and electronic fund transfers for tribal governments. Direct deposit and debit cards provide faster disbursement while reducing the risk of lost or stolen funds.
- Continue to work with tribal leadership to stress the importance of proper estate planning and continue partnerships with local bar associations, legal services organizations, and law schools to advocate the importance of estate planning for individual Indian beneficiaries. These working relationships are at no or minimal cost to the beneficiary in response to the Department's policy of no longer providing will drafting assistance to owners of trust interests. Proper estate planning can

reduce fractionation and enhance the use and value of trust lands for beneficiaries while reducing long-term administrative costs to the Department. The relationships established by Field Operations provide a valuable service to beneficiaries and will support the Land Buy-Back program's objectives of reducing land fractionation.

- Maintain Fiduciary Trust Officer presence in field offices.
- Address Field Operations recommendations from internal and external program reviews.
- Continue to improve the efficiencies of the lockbox operations.
- Continue the migration of trust transaction activities to the local level, reducing redundancy and improving upon efficiencies.
- Continue automation to improve processes and processing timeframes, allowing Agency staff to respond to beneficiary inquiries.
- Explore automated call-tree options within TBCC.
- Work with various Bureaus with DOI to evaluate and implement recommendations of the Secretarial Commission on Indian Trust Administration and Reform to improve trust services to Indian Country.
- Promote the use of electronic access to account information through the Strata Web product. Eighty-five Tribes currently use this product, which allows access to their trust account information on an as needed basis through a web-based product. On March 6, 2013, a pilot was launched offering Strata Web account access to individual users. Field Operation's goal is to offer this service to thousands of other individual accountholders who are willing to access account information online.

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**Activity: Program Operations and Support**  
**Subactivity: Appraisal Services**

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Program Operations</b>							
Appraisal Services	10,598	10,744	+67	+0	+0	10,811	+67
<b>Total</b>	<b>10,598</b>	<b>10,744</b>	<b>+67</b>	<b>+0</b>	<b>+0</b>	<b>10,811</b>	<b>+67</b>
<i>FTE</i>	<i>71</i>	<i>71</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>71</i>	<i>0</i>

**Program Overview**

**Appraisal Services \$10,811,000/71 FTE** - The Office of Appraisal Services (OAS) is responsible for the Indian lands valuation program, which was established to provide impartial estimates of opinions of value for specific types of real property interests held or owned in trust or restricted status for Indian Tribes, individual Indians, and Alaska Natives. The types of land transactions supported by OAS include, but are not limited to, sales, leases (agricultural, commercial and residential), rights-of-way, exchanges, partitions, probates, grazing permits, and trespass settlements.

OAS consists of state certified general appraisers who provide the valuation services in accordance with nationally recognized appraisal standards, methods, and techniques. All completed valuations comply with DOI and OAS appraisal policies and procedures.

It is DOI’s policy that all appraisal practices completed by OAS conform to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of The Appraisal Foundation—updated and published regularly—and the current edition of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) promulgated by the Interagency Land Acquisition Conference, as applicable.

Providing technical assistance for the Indian self-determination and self-governance contracts/compacts and quality appraisals of Indian land for our direct service Tribes is OAS’s foremost priority.

OAS continues to complete appraisal requests on trust and restricted lands. OAS anticipates completing approximately 6,500 appraisals in FY 2014, excluding appraisals completed using the Mass Appraisal Valuation System (MAVS). OAS anticipates continuing efforts to include information from compact/contract Tribes on appraisals completed to maintain a comprehensive database on appraisal workload throughout Indian Country. The Office of Appraisal Services Information System (OASIS) continues to serve as an automated appraisal request generation, tracking and reporting system and recently expanded its capacity to include a mass appraisal module (MAVS) to support valuations for the Land Buy-Back Program. Other mass appraisals methods and techniques, such as Market Studies, Project Appraisal Reports, and Market Analysis, were implemented in some OAS regions to improve productivity and provide more efficiency within the appraisal program.

The OAS has entered into a reimbursable service agreement with the Office of the Secretary, Department of the Interior, to perform all appraisals, appraisal review, and approval in support of the Land Buy-Back Program (LBBP) acquisitions. This will entail providing thousands of opinions of value over a ten-year period for a wide array of properties ranging from unimproved agricultural lands to highly developable commercial properties. The work will encompass a wide range of geographic locations, surface and subsurface rights, and fractional interest property rights.

Although a mass appraisal process is being implemented to increase efficiency and decrease costs, OAS recognizes that these processes will not be appropriate for all reservations and/or land uses within a reservation. In cases where a mass appraisal process is not appropriate, other methodologies, including project appraisal reports, market studies, individual site specific appraisal reports, will be developed and implemented.

### **2015 Program Performance**

- Complete 85 percent of appraisal requests received from the client within requestor business requirements.
- Continue to improve and streamline the appraisal business process, which includes the use of Office of Appraisal Services Information System (OASIS), an automated appraisal request tracking system developed by OAS and joint implemented by OAS and OST Information Resources. The application allows for improved transparency, streamlining of BIA agency/tribal request interactions and standardizing of appraisal requests.
- Continue to reduce the time and cost to complete appraisals by conducting 20 percent of current appraisal requests using OAS staff.
- Continue to assist/support the Land Buy-Back Program in streamlining the appraisal process, to include providing OASIS for tracking appraisals, uploading appraisal information to the Trust Asset and Accounting Management System (TAAMS), Geographic Information System (GIS) for mapping, sharing sales data between OAS Regional Operations and the Land Buy-Back Program Division.
- The OAS Land Buy Back Program Valuation division continues to move forward across several reservations developing land values for identified purchasable interests.
- Continue the deployment of appraisal applications software to manage comparable market data and generate appraisals compliant with USPAP and UASFLA, where applicable.
- Update and implement OAS appraisal program policies, procedures, and guidance to streamline operations and establish consistency.

**Activity: Program Operations and Support**  
**Subactivity: Trust Services**

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Program Operations</b>							
Trust Services	28,834	28,946	+117	+0	+0	29,063	+117
<b>Total</b>	<b>28,834</b>	<b>28,946</b>	<b>+117</b>	<b>+0</b>	<b>+0</b>	<b>29,063</b>	<b>+117</b>
<i>FTE</i>	<i>124</i>	<i>124</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>124</i>	<i>0</i>

**Program Overview**

**Trust Services (\$29,063,000/124 FTE)** - The Congress has designated the Secretary of the Interior as the trustee delegate with responsibility for the monetary and non-monetary resources held in trust on behalf of American Indian Tribes, individual Indians, and other trust funds. In carrying out the management and oversight of the Indian trust funds, the Secretary has a fiduciary responsibility to ensure that trust accounts are properly maintained, invested, and reported in accordance with the Reform Act, Congressional action, and other applicable laws.

Trust Services is responsible for all fiduciary accounting activities, liquidity investments, reconciliation, and financial reporting related to the individual Indian, Alaska Native, and tribal trust funds under management by the Department. This Office provides leadership, guidance and oversight of the development of policies, procedures, and processes to ensure proper management of trust funds on behalf of beneficiaries. Trust Services supports Indian Fiduciary Trust Responsibilities through performance measures of providing timely and accurate financial account information to trust beneficiaries, the timely recording of oil and gas royalties in the trust accounting system and the accurate processing of financial information in trust beneficiary accounts.

Trust Services is currently using metric performance data to assess the efficiency and effectiveness of trust operations as exhibited by:

- Assist in the promotion of debit cards and electronic funds transfer to reduce the cost of disbursing funds via paper check to beneficiaries.
- Utilizing employee performance metrics to assess and validate individual and team performance. Data is used to identify performance standards and training needs.
- Establishing, revising, and monitoring workload and processing timeframes.

Trust Services manages nearly \$4.6 billion in funds held in trust for federally recognized Indian Tribes, individual Indian, and Alaska Native beneficiaries. Over \$3.8 billion is held in about 3,000 tribal and other trust fund accounts, including the Alaska Native Escrow Fund. Approximately \$751 million is held on behalf of individual Indians in about 393,000 beneficiary accounts. The balances that have accumulated in the Tribal trust have resulted from claims and judgment awards, investment income, and revenues from approximately 55 million acres of trust lands. Revenues are derived from subsurface

mineral extractions (coal, oil, gas, and uranium) timber, grazing, and other surface leases. Individual Indian Money (IIM) balances are generally on deposit as a result of restricted accounts (e.g., minors, estates, Whereabouts Unknown).

The program's business objectives are to manage and to timely and accurately receipt, disburse, and account for funds associated with trust assets. Accomplishment of these objectives enables the Department to provide accurate and timely information to trust beneficiaries. The accuracy and timeliness of information is comprised of several factors: timely processing and posting of cash, account maintenance, and investment income transactions. Reconciliation and activity reporting on trust accounts impacts accuracy and timely reporting to beneficiaries.

Trust Services is responsible for reconciling subsidiary and control accounts and monitoring trust funds activities. This office prepares internal and external financial accounting reports as well as audited financial statements for trust funds. It also is responsible for the accurate and timely preparation and submission of appropriate external reports and required tax forms. The reconciliation of trust fund activities include custodial management of proprietary data, compliance and interface with Treasury cash flow reports, and the receipting of funds from BIA and the Office of Natural Resources Revenue (ONRR).

Trust Funds Accounting System (TFAS) – To comply with the provisions of the Reform Act, (P. L. 103-412, title IV, Sec. 401, Oct. 25, 1994, 108 Stat. 4249), OST uses TFAS, a commercial off-the-shelf system owned and operated by a third party vendor. The existing contract was awarded during FY 2008. Some of the costs associated with the TFAS contract are based upon the number of accounts on the system (open and closed). Currently, TFAS has over 393,000 open and approximately 12,000 closed accounts. Of the 393,000 open accounts, approximately 99,000 were non-income accounts. A Statement of Performance is produced in TFAS for non-income accounts, which includes real property assets. In addition to normal processing, items included in the core price are the daily pricing of securities; software licenses that allow Tribes access via the Internet using Strata Web; security, custody of securities, and investment settlement services.

<b>Estimated TFAS Total Accounts</b>					
<b>Status</b>	<b>2011 Actual</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
Open \$\$\$ and Land	204,470	209,134	215,322	200,000	200,000
Open Land only	94,981	96,589	98,789	80,000	75,000
Open \$\$\$ only	84,144	81,414	78,899	80,000	75,000
Closed*	14,054	15,222	11,516	30,000	25,000
<b>TOTAL</b>	<b>397,649</b>	<b>402,359</b>	<b>404,526</b>	<b>390,000</b>	<b>375,000</b>

\* Accounts that are coded as closed for more than 18 months are periodically removed from the system. There will always be some closed accounts on the system. As a result of the Individual Indian Money Account Litigation Settlement Land Buy-Back Program, additional accounts are anticipated to be closed in FY 2015.

Trust Services provides valuable litigation support services through subject matter experts, development of presentations, document production accounting support to be used in furthering the Department's goal of amicable settlements with tribal entities.

In FY 2015, Trust Services top priority will continue to be the management of Tribal and Individual Indian Money funds through the accurate and timely execution of investment, disbursement, receipt, accounting, and reporting functions. OST will also begin an intensive three-way reconciliation between three agencies (ONRR, IA, OST) responsible for oil and gas leasing activities on Indian trust lands, which will be an on-going activity. A software tool has been developed to aid in reconciling the millions of oil and gas royalty related financial transactions that are collected by ONRR, processed through TAAMS (the responsibility of Indian Affairs), and distributed by OST.

### **2015 Program Performance**

The FY 2015 funding allows Trust Services to:

- Attain at least 99 percent accuracy for financial information initially processed in trust beneficiary accounts.
- Record at least 99 percent of ONRR royalty revenue within 24 hours of receipt.
- Maintain necessary Tribal trust litigation support.
- Continue to process up to 10,000 probate orders and distribution of funds to beneficiaries.
- Continue to process over one million account maintenance transactions annually.
- Continue reconciliation and clean-up of suspense and special deposit accounts.
- Continue to process over \$1.4 billion in receipts and disbursements annually.
- Continue daily reconciliation of all trust funds receipts/disbursements with Treasury (over 9.3 million transactions annually).
- Continue to compile monthly and annual financial statements, applicable tax reports, and required regulatory financial reports.

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**Activity: Program Operations and Support**  
**Subactivity: Historical Trust Accounting**

	2013 Actual	2014 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Change from 2014 Enacted (+/-)
<b>Program Operations</b>							
Historical Trust Accounting	23,029	23,045	+19	+0	+0	23,064	+19
<b>Total</b>	<b>23,029</b>	<b>23,045</b>	<b>+19</b>	<b>+0</b>	<b>+0</b>	<b>23,064</b>	<b>+19</b>
<i>FTE</i>	20	20	+0	+0	+0	20	0

**Program Overview**

**Office of Historical Trust Accounting (\$23,064,000/20 FTE)** - In July 2001, the Office of Historical Trust Accounting (OHTA) was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Individual Indian Money (IIM) accounts (OHTA's responsibilities were later expanded to include the provision of historical accounts for tribal accounts). OHTA's management model is based on a small staff of Federal employees directing the efforts of a number of individual contractors. The contractors have provided critical technical expertise in areas such as accounting services, historical research, information resources, data security, statistical analysis, and document search, collection, and reproduction.

The Department and OHTA are involved in lawsuits filed by or on behalf of over 50 Tribes. These cases are in various Federal District Courts and the Court of Federal Claims. OHTA is continuing its strategy of satisfying the critical information needs of the litigating Tribes through document production and organization, digitization, and analysis of tribal accounts. OHTA also will continue to support active litigation and settlement negotiations working with Department of Justice (DOJ) and DOI Office of the Solicitor (SOL).

OHTA anticipates that more Tribes will file tribal trust claims against the Federal government, as some Tribes were not previously aware of the option to do so. OHTA also is providing data, analysis, and other support necessary to implement the Claims Resolution Act of 2010, which authorized settlement of the *Cobell v. Salazar* class action litigation.

**2015 Program Performance**

In FY 2015, OHTA's priority will continue to be historical analysis, research, and support for tribal trust litigation and settlement efforts.

**Tribal Historical Accounting (\$17,600,000)** - OHTA will continue to compile, analyze, and explain an extensive volume of documents and data concerning how the Federal Government managed various funds held in trust for Native American tribes in order to settle or defend the tribal litigation.

As with prior years, OHTA's efforts will focus on helping achieve negotiated settlements of tribal trust fund accounting and related claims. In addition, OHTA will continue to provide technical and factual support to DOJ and SOL for those cases where negotiated settlement is not possible and the parties are proceeding to trial. More specifically, OHTA anticipates that its activities in support of negotiated settlement and/or defense of litigation proceeding to trial will include: informational briefings about trust fund accounts and data; document search, imaging, and coding; compilation, validation, and maintenance of trust account databases; settlement calculations and analysis; account and/or transaction mapping, analysis, and reconciliation; investment performance analysis and reporting; fact and expert testimony; response to tribal discovery requests and questions; and preparation and presentation of account lists, account statements, technical exhibits, and demonstrative aids.

**Special Deposit Accounts/Youpee (\$3,644,000)** - OHTA will continue to research the rightful owners of historical residual balances in special deposit accounts and seek to distribute \$250,000 to individual Indians, Tribes, and third parties. This funding also will be used to perform the research and analysis necessary to distribute trust funds residing in Youpee Escheat Accounts. The latter reflect income from land interests that has escheated (transferred) to Tribes under legislation that the Supreme Court deemed unconstitutional.

**IIM Historical Accounting (\$1,817,000)** - OHTA expects that the Stage II distributions of the Individual Indian Money Account Litigation Settlement will be completed by the end of FY 2015. In FY 2015, various tasks and work may be necessary to implement the Claims Resolution Act and the Individual Indian Money Account Litigation Settlement, including resolution of disputed distributions, new claims arising from possible class members, and claims of individual Indians who have opted-out of the Trust Asset Mismanagement class.

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**Program Support**



**Activity: Program Operations and Support**  
**Subactivity: Program Support**

	2013 Actual	2014 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Change from 2014 Enacted (+/-)
<b>Program Support</b>	<b>49,447</b>	<b>50,169</b>	<b>+561</b>	<b>+0</b>	<b>-1,622</b>	<b>49,108</b>	<b>-1,061</b>
Business Management	34,894	34,706	+455	+0	-1,622	33,539	-1,167
Program Management	14,553	15,463	+106	+0	+0	15,569	+106
<i>FTE</i>	<i>197</i>	<i>200</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>200</i>	<i>0</i>

**Summary of 2015 Program Changes for Program Support - Business Management**  
**Request Component**

	(\$000)	FTE
<u>Program Changes:</u>		
Business Management	-1,622	+0
Program Management	+0	+0
<b>TOTAL Program Changes</b>	<b>-1,622</b>	<b>+0</b>

**Overview of Program Support**

Business Management and Program Management comprise the subactivity of Program Support. Although the programs focus on different specialized aspects of OST, both support fiduciary trust responsibilities to tribal and individual Indian beneficiaries.

Business Management provides strategic planning, workforce planning, training design for staff development, and the execution of special projects as directed by Executive management. Various administrative functions, budget services, information resources, interface with external organizations, litigation coordination, and clerical support, are also provided by Business Management.

Program Management provides independent audits of Indian fiduciary trust programs and monitors implementation of corrective actions to address any deficiencies. Independent from Trust Review and Audit, the Risk Management group conducts a comprehensive program to identify and mitigate risk. Management and operation of the American Indian Records Repository also falls within Program Management. Tangent to the management of records, the program is responsible for the development of records management policies, and provides records management training and support services to OST and Indian Affairs.

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**Activity: Program Operations and Support**  
**Subactivity: Program Support – Business Management**

	2013 Actual	2014 Enacted	Fixed Costs & Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Change from 2014 Enacted (+/-)
<b>Business Management</b>	<b>34,894</b>	<b>34,706</b>	<b>455</b>	<b>0</b>	<b>-1,622</b>	<b>33,539</b>	<b>-1,167</b>
Business Management	1,602	1,872	14	78	0	1,964	+92
Budget, Finance & Administration	25,411	24,615	402	0	-1,622	23,395	-1,220
Litigation Support	[3,986]	[3,986]	0	0	[-500]	[3,486]	[-500]
Office of Hearings and Appeals	[8,216]	[8,716]	0	0	[-200]	[8,516]	[-200]
Information Resources	6,202	6,599	32	0	0	6,631	+32
Office of External Affairs	1,679	1,620	7	-78	0	1,549	-71
<i>FTE</i>	87	88	+0	+0	+0	88	0

**Summary of 2015 Program Changes for Program Support - Business Management**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
<u>Program Changes:</u>		
Transfer of Mailing/Printing Services to U.S. Treasury	-922	+0
Adjustment of Litigation Support Workload	-500	+0
Operational Efficiencies in Hearings and Appeals	-200	+0
<b>TOTAL Program Changes</b>	<b>-1,622</b>	<b>+0</b>

**Justification of 2015 Program Changes**

The FY 2015 budget request for Program Support – Business Management is \$33,539,000 and 88 FTE, a program change of -\$1,622,000 and 0 FTE from the 2014 Enacted.

**Transfer of Mailing and Printing Services to U.S. Treasury (-\$922,000)** – BF&A is participating in discussions with Trust Services and U.S. Treasury Department representatives to transition the mailing of Trust Fund statements and checks to the U.S. Treasury. OST anticipates transition of this function to be complete by FY 2015.

**Adjustment of Litigation Support Workload (-\$500,000)** – This reduction represents an updated estimate of legal services needed for Litigation Support by OST.

**Operational Efficiencies in Hearings and Appeals (-\$200,000)** –The Office of Hearings and Appeals will implement administrative efficiencies in 2015.

**Internal Transfers:**

Business Management will receive an internal transfer of +\$78,000 from External Affairs for one position.

## **Program Overview**

The offices encompassing Business Management provide the critical infrastructure and administrative services that enable the organization to function as an effective fiduciary trustee. It also provides modern, appropriate systems and tools to manage the fiduciary trust responsibilities. Program elements include Business Management, Office of Information Resources (IR), Office of Budget, Finance, and Administration (BF&A), and the Office of External Affairs (OEA).

**Business Management (\$1,964,000/14 FTE)** - Business Management includes the Deputy Special Trustee for Business Management, a litigation coordination team, and a support staff that provides a variety of services to the entire OST organization. The litigation coordination team serves as liaison and advisor for Indian trust litigation issues and related matters, representing OST at meetings, presentations, and at other public forums with Departmental offices, plaintiff attorneys and general the public. This group recommends OST positions by providing sound quantitative evidence and analysis. The litigation coordination team also develops and implements specific litigation related goals and objectives, as well as researching, compiling, and reviewing documents relevant to cash management and investment practices.

Other vital support functions provided by the Business Management program include strategic planning, workforce planning, training design for staff development, and the execution of special projects as directed by Executive management. The program also provides administrative and clerical support to Executive management.

**Budget, Finance and Administration (\$23,395,000/31 FTE)** - The BF&A office supports OST in carrying out its fiduciary trust responsibilities to federally recognized American Indian Tribes, individual Indians, and Alaska Natives by providing direct budget, planning, and administrative support, including oversight of contracts for human resources, acquisition, and financial/accounting services. Reports to the Department, the Office of Management and Budget, and to the U.S. Congress are generated by, or coordinated through this office.

Functions of the BF&A program include coordination of government-wide, Departmental, and other agency services that support OST's programs such as: personnel, EEO, space, telephone, charge card, travel, vehicle management, and working capital fund activities. In FY 2015, this office will coordinate with U.S. Department of the Treasury in the mailing of Individual Indian Money (IIM) account holder checks, oil and gas Explanation of Payments, Statements of Performance, and other beneficiary related documents.

In addition, BF&A coordinates the implementation of performance improvement, human capital and transportation management. Recent accomplishments include: Implementation of automated approval for charge card purchases; implementation of a new travel management system; working with DOI and GSA, the building owner to complete negotiations for consolidation of OST office space in Albuquerque for a 50% reduction in square footage; established video teleconference capabilities in OST's DC office to facilitate meetings with staff located in Albuquerque and reduce travel costs and time; developed/arranged for a wide range of employee training to improve employee skills and productivity. BF&A expanded the offerings of computer based training as well as offered such courses as:

- Realty Core Competencies Program for Accounting Technicians
- Trust Fund Investment
- Manager Skill Development and Enhancement Learning Program
- FOIA/Privacy Act Training workshop
- Learning Plan for administrative training for new appraisers
- Recognition and prevention of Cyber-bullying
- Workshops on creation of Individual Development Plans for employees
- Healthy life styles and stress management
- Train-the-Trainer
- Management Development Course for a cohort of 20 mid-level supervisors

Litigation Support (\$3,486,000) – The budget for BF&A includes funding for the Solicitor’s office to provide document production capabilities for tribal trust litigation cases and caseload management efforts.

Office of Hearings and Appeals (\$8,516,000) - The budget for BF&A includes funding for the Office of Hearings and Appeals for probate adjudication. Although the responsibility for directing overall probate efforts rests with BIA, OST oversees caseload management efforts; ensures coordination of policies, practices and systems; and provides guidance in identifying problems and potential solutions to case processing bottlenecks.

<b>OHA Probate Performance Data 2013-2015</b>				
	<b>Number of Cases Pending Beginning of Year</b>	<b>Number of New Cases Received</b>	<b>Number of Cases decided</b>	<b>Number of Cases Pending End of Year</b>
FY 2013	5,931	7,466	8,032	5,365
FY 2014	5,365	7,000	7,000	5,365
FY 2015	5,365	7,000	7,000	5,365
<b>Note:</b> Numbers for FY 2014 and FY 2015 are estimates.				

**2015 Program Performance**

- Improve budget-performance integration by defining correlations between available resources and performance for OST programs.
- Conduct management meetings to discuss performance accomplishments and budget resources necessary for improvements and realignment of funds as required.
- Transition to the U.S. Department of the Treasury the mailing of Explanation of Payment statements, advice notices to checks, Statements of Performance, invoices, and tax forms to trust beneficiaries.
- Provides regular fund status reports to program and senior managers.
- Maintain annual reviews of the budgetary status of trust accounts.
- Continue providing Human Resources, Acquisitions, and Finance services through shared service providers.
- Continue providing office space and Working Capital Fund service.

**Information Resources (\$6,631,000/35 FTE)** – Overseen by the Assistant Director for Information Resources (ADIR), the Office of Information Resources (IR) through provides organization-wide information resources support for OST in carrying out the fiduciary trust responsibilities to tribal and individual Indian beneficiaries; develops, maintains, and operates the trust information technology (IT) enterprise architecture; provides day-to-day computer support to OST personnel nationwide; and develops and maintains applications in support of the OST mission.

Additionally, OIT provides IT support services including technical support, capital planning, and procurement of IT hardware and software; security management (accreditation and authorization, logical access control, policies, procedures, guidelines and compliance); and OST's implementation of DOI's IT Transformation initiatives. The ADIR facilitates the development and maintenance of cost-effective, supportable, and sustainable information management and technology solutions to advance the mission of OST. These technology solutions enhance OST's ability to serve the beneficiaries through efficient business and resource management systems.

The ADIR interfaces with the Departmental CIO office on strategic initiatives, department-wide planning, and IT Transformation activities. The ADIR develops IT strategic plans to support OST business processes; manages OST's IT services that provide the support, testing and implementation of automated trust funds financial and other support systems; and ensures necessary interfaces with other trust systems in the BIA, Bureau of Safety and Environmental Enforcement (BSEE), OHA, BLM, ONRR, and other related offices in the Department.

### **2015 Program Performance**

In FY 2015, OIR will continue to advance IT operations to improve upon OST's fiduciary trust mission. Specifically, OIR will: 1) support the IT infrastructure ensuring continued confidentiality, integrity, and availability of the OST network, data center services, help desk response, and workstation (hardware and software) management; 2) advance existing mission support of IT applications/systems and develop applications to address new or changing requirements; 3) oversee and monitor the protection of OST's applications and data; 4) provide FOIA and privacy technical support and operations; and 5) support the DOI IT Transformation initiative.

**Office of External Affairs (\$1,549,000/8 FTE)** - OEA has three primary areas of responsibility in supporting the Special Trustee's statutorily-required reform and oversight activities: (1) communicating with a diverse group of stakeholders about OST's programs and activities and the Department's trust reform initiatives; (2) administration of OST's tribal self-governance and self-determination program; and (3) congressional liaison activities.

Communications - OEA provides tribal and individual Indian trust beneficiaries, Department personnel, the media, the U.S. Congress, other government agencies, and the public with a wide range of information on the status of trust reform priorities, current initiatives and benefits through personal contacts and printed materials. The Reform Act authorizes Tribes to withdraw tribal funds held in trust status for tribal self-investment and management, thereby eliminating federal management. To withdraw tribal funds, a Tribe must submit an application that includes data and information about how the Tribe intends to invest

and manage the funds once withdrawn from trust status. OEA provides information to Tribes on the withdrawal process and coordinates OST's activities in response to requests for withdrawal.

OEA can assist Tribes, if requested, to obtain technical assistance during the development of a trust withdrawal application. After OEA and appropriate OST subject matter experts determine that the application is complete, the regulations provide that OST has 90 days to review and approve or decline the application. The regulations allow additional time for information or clarifications to be received during the review process.

Self-governance and Self-determination - Staff provide information to Tribes on self-governance and self-determination opportunities under P.L. 93-638, and provide technical assistance to encourage Tribes to consider contracting or compacting OST programs. To ensure fulfillment of the Secretary's fiduciary trust responsibilities, staff actively pursue the negotiation of program standards with Tribes electing to contract or compact OST programs.

A significant portion of OEA's operating budget is used to support the administration of Indian self-governance and self-determination activities as authorized by Title I and Title IV of Public Law 93-638. In FY 2013, OEA worked with over 35 Tribes that performed or sought to perform OST programs and functions on behalf of their members, and worked to ensure Tribes had program standards in place for the performance of OST functions. OEA continues to assist Tribes in support of self-determination and self-governance and to provide opportunities for new Tribes interested in operating OST trust programs or seeking authority to access OST IR-based trust systems.

Congressional Liaison - In fulfillment of congressional liaison responsibilities, OEA provides the Congress with a range of information on the status of trust reform priorities, current initiatives and benefits through formal briefings, personal contacts, and printed materials.

### **2015 Program Performance**

In FY 2015, OEA will promote Tribal self-determination and self-governance by seeking expanded participation in tribal operation of OST's appraisal and beneficiary processing programs. OEA will provide information to Tribes currently operating OST trust programs to assist them in accessing OST's trust systems at their tribal facility.

OEA will support self-governance and self-determination by:

- Administering the full range of P.L. 93-638 self-governance and self-determination activities and services to include: promoting new opportunities; providing technical assistance; developing tribal share packages; negotiating, approving or declining P.L. 93-638 contract proposals; negotiating program standards; negotiating Funding Agreements; negotiating Reprogramming Requests and footnotes; and coordinating the allocation of OST 638 funds to BIA and the Office of Self-Governance for disbursement to Tribes.
- Negotiating annual funding agreements, memoranda of understanding, and tribal use agreements and program standards for the compacting/contracting available OST programs.

- Holding discussions with requesting Tribes to share information about potential access to OST IR-based trust systems.
- Coordinating cost determinations for Tribes to access OST IR-based trust systems.
- Coordinating the approval process for any tribal requests to access OST IR-based trust systems.
- Coordinating activities within BIA and OST to provide OST trust systems training for Tribes.

OEA will support communications to stakeholders by:

- Continuing the proactive development of communications and media materials for outreach efforts.
- Continuing support of OST's national debit card and direct deposit programs for IIM account holders and seeking to further Whereabouts Unknown (WAU) awareness in Indian Country.
- Enhancing OST's relationship with national, local, and Native media outlets.
- Continuing communications with Members of Congress and their staffs to discuss trust reform initiatives and potential legislative solutions to issues affecting OST's individual beneficiaries and tribes.
- Continuing to provide written updates to Congress and Tribal Leaders on the status of trust reforms.
- Coordinating and reviewing formal applications from Tribes to withdraw their funds from trust status, for tribal self-investment and management and encouraging enhanced tribal involvement in this program whenever possible.

**Activity: Program Operations and Support**  
**Subactivity: Program Support – Program Management**

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Program Management</b>	<b>14,553</b>	<b>15,463</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>15,569</b>	<b>+106</b>
Trust Records	9,284	9,887	76	0	0	9,963	+76
Trust Review & Audit	4,922	4,939	25	0	0	4,964	+25
Risk Management	347	637	5	0	0	642	+5
<i>FTE</i>	<i>110</i>	<i>112</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>112</i>	<i>+0</i>

### Program Overview

Three separate functional units comprise Program Management: Office of Trust Records (OTR), Office of Trust Review and Audit (OTRA), and Office of Risk Management (ORM). All three report to the Deputy Special Trustee - Program Management (DST-PM) and support OST in carrying out the fiduciary trust responsibilities to tribal and individual Indian beneficiaries. OTRA provides independent examinations of Indian fiduciary trust programs and monitors implementation of corrective actions to address any deficiencies. ORM operates a comprehensive risk management service to identify and mitigate risk within the Office of the Special Trustee for American Indians (OST). OTR manages the operations of the American Indian Records Repository (AIRR). Tangent to the management of records, OTR is responsible for the development of records management policies, and providing records management training and support services to OST and the Bureau of Indian Affairs (BIA).

**Office of Trust Records (\$9,963,000/81FTE)** – The OTR reports directly to the DST-PM and is comprised of two Divisions: 1) the Division of Records Management Operations in Lenexa, Kansas, and 2) the Division of Records Management Policies, Procedures, and Training. Records Management. The former is responsible for the management and operations of the AIRR, while the latter handles the development of records management policies and procedures, provides records management training, and records management support services to OST and Indian Affairs.

OTR is responsible for the management of OST and Indian Affairs records programs by providing guidance and support on records management. OTR is responsible for the development of and obtaining approval from the Archivist of the United States for records schedules; supporting computer-based records management training; disposition and safeguarding of inactive records; retrieval of records for authorized users; and supporting the implementation of the Departmental eMail Enterprise Records and Document Management System (eERDMS). OTR also provides records management training and technical assistance to Tribes/Consortia who request such services and collaborate with the Tribes/Consortia in the development of their Tribal/Consortia records management program.

OTR support for inactive records include: maintain and update retired records in the Box Index Search System (AIRR document database); ensure that the necessary security safeguards remain in place at the AIRR; prohibit the withdrawal of original records from AIRR; preserve and provide remediation services for inactive records received at AIRR; and provide access for research purposes to authorized users of the records.



Entrance to the American Indian Records Repository

<b>Records Management Performance Data</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
Number of Personnel Trained On-line	401	183	200	200
Number of Boxes stored	12,531	17,172	15,000	15,000

*Note: FY 2014 and FY 2015 number of boxes is an estimate based on the average monthly number of boxes stored in the first quarter of FY 2014. The spike in the number of boxes stored in FY 2013 is a result of a contract that provided 12 more employees to assist in indexing. FY 2013 Records Contacts trained is less than estimate due to unavailability of WebEx Licenses during this time period.*

**Office of Trust Review and Audit (\$4,964,000/26 FTE)** - OTRA reports directly to the DST-PM, who in turn reports to the Principal Deputy Special Trustee (PDST) for American Indians. The Trust Reform Act states the Special Trustee shall oversee all reform efforts within OST, BIA, the Bureau of Land Management (BLM), and the Office of Natural Resources Revenue (ONRR) to ensure that trust policies and procedures are consistent intra-bureau wide. To accomplish this, OTRA conducts trust examinations in accordance with the Trust Examiners Guidebook, which applies Generally Accepted Government Auditing Standards to the quality of the work completed. The purpose of these examinations is to determine if OST, BIA, BLM and ONRR have established policies and procedures that are consistent and comply with federal trust laws to ensure the Secretary’s fiduciary trust standards are met Department-wide.

OTRA examinations identify trust program and trust records management deficiencies. Staff coordinates findings, generate reports, and monitor corrective actions for deficiencies identified. Examinations also include the evaluation of tribally managed trust programs compacted with the Department of the Interior. OTRA also conducts special reviews at the request of Department officials, beneficiaries, and the public.

The trust examination process utilizes an Indian Trust Rating System (ITRS) that rates and ranks the operational effectiveness of Indian trust asset management activities for each entity examined. The ITRS rates the overall program’s trust operational effectiveness in four trust component areas: 1) Management - the capabilities and quality of management, 2) Asset Management - management of Indian trust assets,

3) Compliance - compliance with applicable laws, regulations, policies, procedures, and accepted standards of fiduciary conduct, and 4) Operations - effectiveness and efficiency of operations, including the adequacy and effectiveness of internal controls.

Examination reports are provided to the PDST and the respective Federal managers or tribal executives who are responsible for the management of the trust programs examined. Due to the comprehensive nature of the examinations and the increasing number of trust programs that must be examined, these examinations are prioritized by trust rating, risk factors, or exam cycle.

In FY 2015, OTRA anticipates that current examination workload will increase to include examining the Office of Appraisal Services and the Land Buy Back Program. A conservative estimate of ten additional examinations has been added to the OTRA workload for the FY 2015 trust examination goals.

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Records Management Assessments (180 sites)</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Number of sites reviewed	45	58	60	60

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Trust Examinations (204 sites)</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Number of sites reviewed	53	23	50	60

**Office of Risk Management (\$642,000/5 FTE)** - ORM reports to the DST-PM, who in turn reports to the PDST. ORM helps to ensure OST’s compliance with OMB Circular A-123, with Appendices and the Federal Managers Financial Integrity Act (FMFIA). ORMs activities in this area include leading an annual evaluation of the risks associated with program activities; leading the implementation of controls to mitigate risks identified; and testing OST internal controls. All OST offices conduct risk assessments to evaluate the effectiveness of internal controls. ORM ensures that among the program manager risk assessments, the reviews conducted by OTRA and independent external auditors, OST management can provide reasonable assurance that the financial reports are reliable, their programs are operating efficiently and effectively, and their programs are in compliance with applicable laws and regulations. OST will continue to strengthen its risk management program by: increasing the quantity of field locations tested; improving OST staff expertise based on offering of risk management training to OST staff; increasing support of internal programs and internal control testing efforts across bureaus more efficiently; enhancing the existing risk management tool (RM-PLUS) to facilitate more efficient assessing and reporting; and continued alignment of RM-PLUS with regulatory and legislative requirements (i.e. OMB Circular A-123, with Appendices, and FMFIA). ORM also collaborates with other bureaus and offices that provide trust services impacting OST’s trust operations and trust fund financial statements.

<b>Risk Management - Performance Data</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
Number of Program Self-Assessments Performed in Automated Tool (RM-Plus)	48	44	40	40
Number of Programs Tested	40	38	32	37

**2015 Program Performance**

- Prepare Indian Trust Examinations and Tribal Trust Evaluations using an audit software program to streamline the Trust Examination process.
- Leverage information technology in the distribution of OTRA final reports.
- Implement statistical sampling techniques and methodologies in audit planning and performance.
- Collaborate with the BIA in using interdisciplinary teams to evaluate the most complex Trust programs.
- Achieve Certified Government Auditing Professional certifications for OTRA auditors.
- Track and report on examination findings, recommendations and corrective action plans for locations examined.
- Perform quarterly follow-up on corrective action plans for records management assessments.
- Coordinate the closure of all OST findings and recommendations received from external audit entities. Continue efforts to improve efficiency by seeking ways to streamline the trust examination process.
- Continued development of an OTRA Standard Operating Procedures Manual to ensure standardization and consistency of work performance.
- Ensure all OTRA employees complete, every two years, at least 80 hours of continuing professional education that enhance their professional proficiency to perform examinations.
- Perform interim testing more timely and increase the coverage of field locations tested within a program.
- Increase the volume of programs documented or updated each year to reflect organizational and operational changes.
- Perform quarterly monitoring of RM-PLUS open corrective action plans.
- Implement a Risk Management Handbook to ensure management has a clear understanding of the nature and types of risks, the internal controls designed to mitigate those risks, and their role in assuring the effectiveness of those internal controls.
- Collaborate with other Departmental offices to validate and/or leverage management control reviews outlined in the OMB Circular A-123.

# **TAB INSERT**

## **Trust Funds**



## Tribal and Other Trust Funds

*(Dollars in Thousands)*

	<b>2013 Actual</b>	<b>2014 Enacted</b>	<b>Fixed Costs &amp; Related Changes (+/-)</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2015 Request</b>	<b>Change from 2014 Enacted (+/-)</b>
<b>Total</b>	<b>375,103</b>	<b>384,832</b>	<b>+0</b>	<b>+0</b>	<b>+12,387</b>	<b>397,219</b>	<b>+12,387</b>
Tribal Special Fund	300,681	308,480	+0	+0	+9,929	318,409	+9,929
Tribal Trust Fund	74,422	76,352	+0	+0	+2,458	78,810	+2,458
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>	<i>+0</i>

### Summary of 2015 Program Changes for Trust Funds

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
<u>Program Changes</u>		
Tribal Special Fund	+9,929	<b>0</b>
Tribal Trust Fund	+2,458	<b>0</b>
<b>TOTAL Program Changes</b>	<b>+12,387</b>	<b>0</b>

### Justification of 2015 Program Changes

The 2015 budget request for the Tribal Special Fund and Tribal Trust Fund totals \$397,219,000, a program increase of \$12,387 from the 2014 enacted receipts and outlays.

The budget authority for the Tribal Special Fund and Tribal Trust Fund is equal to receipts of settlements and/or judgments from the Judgment Funds for on-budget trust funds as well as transaction activity from buying and selling investments outside of Treasury for on-budget trust funds; including investment income and proceeds from investment in government sponsored entity securities. Most of the assets of these funds are in investments held outside Treasury.

### Budgetary Classification of Tribal Trust Funds

Tribal trust funds are deposited into consolidated accounts in the U.S. Treasury pursuant to: 1) general or specific acts of Congress and, 2) Federal management of tribal real properties, the titles to which are held in trust for the Tribes by the United States. These funds are available to the respective tribal groups for various purposes, under various acts of Congress, and may be subject to the provisions of tribal constitutions, bylaws, charters, and resolutions of the various Tribes, bands, or groups.

Commencing with FY 2000, most tribal trust funds, including special funds, managed by the Office of the Special Trustee were reclassified as non-budgetary. Ownership of these funds did not change; changes were made for presentation purposes only. Some tribal trust funds remain budgetary, in the Tribal Special or Tribal Trust Funds accounts.

The budgetary funds are included in either a budgetary special fund account or trust fund account. The distinction between a special and a trust fund is purely technical from a budgetary standpoint; if the law creating the fund delineates it as a “trust fund,” it is included in the trust fund account. If the law delineates the fund as something other than a trust fund (e.g., a “development fund”) it is included in the special fund account.

### **Tribal Special Fund**

This fund includes activities associated with the following accounts:

- *Tribal Economic Recovery Fund*. This fund is authorized by the Three Affiliated Tribes and *Standing Rock Sioux Tribe Equitable Compensation Act of 1992* (P.L. 102-575) and holds funds which have been appropriated pursuant to the Act. Beginning in 1998, interest earned on the principal of this fund is available for both Tribes for economic development, education, and social services programs.
- *Three Affiliated Fort Berthold* (P.L. 102-575). The fund is not designated by law as a trust fund. The act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Standing Rock* (P.L. 102-575, Title XXXV). The Act provides for additional compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for the taking of tribal lands related to the Garrison Dam and Reservoir project. The Tribes are only entitled to the interest earnings, not the corpus (Sec. 3504(a) (4)).
- *Papago Cooperative Fund* (P.L. 97-293). The fund was established for the Tribe to obtain services that are financed by earnings on investment of the fund.
- *Ute Tribe* (P.L. 102-575, Title V). The fund was established for certain environmental and developmental purposes. One of the expressed purposes of this act is to put the Tribe in the same economic position it would have been had features contemplated by a September 20, 1965 agreement with the United States and others been constructed and thus, resolve tribal claims arising out of the agreement. In addition, the Act qualifies the Tribe’s reserved rights and provides for the waiver of tribal claims related to this issue. The funds provided for by Section 504, like all funds provided for by the Act, with the exception of those funds provided for under Section 505, are intended to resolve legal claims related to the Tribe’s water rights.
- *Pyramid Lake Indian Reservation* (P.L. 101-618). (Specifically, the Lahonta Valley and Pyramid Lake Fish and Wildlife Fund). The Lahonta Valley and Pyramid Lake Fish and Wildlife Fund consist of payments for the use of certain water and transfers from the Fisheries Fund. Except for the transfers, the use of the funds is subject to appropriations for fish and protection.
- *San Luis Rey Water Authority* (P.L. 100-675). This is settlement legislation that resolves pending water rights litigation between the United States and the Bands local entities. The Act established the San Luis Rey Tribal Development Fund and authorized appropriations of \$30 million to the Fund. Following execution of the proposed settlement agreement, the Secretary of the Treasury is directed to make the funds available upon the request of the Indian Water Authority.
- *Cochiti Wetfields Solution*. In 1994, the Army Corps of Engineers transferred \$4 million pursuant to P.L. 102-358 to fund the Department's responsibilities under the settlement agreement between Cochiti Tribe, the Corps, and the Department. The Secretary of the Interior is responsible for

maintenance, repair, and replacement of a drainage system constructed by the Corps for the Cochiti Pueblo.

### **Tribal Trust Fund**

This fund includes activities associated with the following accounts:

- *Funds Contributed for the Advancement of the Indian Race.* This fund accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donors' wishes (82 Stat. 171).
- *Bequest of George C. Edgeter.* This fund includes a donation made by George C. Edgeter; income is available according to the terms of the bequest for the expenditure as determined by the Assistant Secretary, Indian Affairs for the relief of American Indians.
- *Ella M. Franklin Fund.* This fund consists of a bequest, the principal of which is invested in U.S. Treasury securities, and the interest is to be used for the relief of American Indians as specified by the donors' wishes (82 Stat. 171).
- *Josephine Lambert Fund.* This fund includes a donation made by Josephine Lambert, income to be used for the health or education of underprivileged Indian children.
- *Orrie Shaw Fund.* This fund includes a donation made by Dr. Orrie Shaw, income used only for the training or education of American Indians.
- *Welman Endowment Fund.* This fund was established to receive revenue generated by land owned by the decedent for the period of ten (10) years whereby the annual interest earnings of the endowment can be distributed by the Assistant Secretary Indian Affairs for the education of members of federally recognized Tribes; provided that 20 percent of the annual interest serves to benefit the education of Agua Caliente Tribal members. The Tribe has the option of obtaining complete control of the land, prior to the end of the endowment period, if it elects to fund the endowment so that the principal amount reaches \$750,000.
- *Arizona Intertribal Fund (P.L. 100-696).* The fund represents an exchange agreement for privately held lands in Florida for publicly held land in Arizona. Use of the money is subject to appropriations and is available to pay for supplemental education and child welfare programs.
- *Navajo Trust Fund (P.L. 100-696).* The fund ratifies an exchange of Federal land in Arizona.
- *Crow Creek (P.L. 104-223).* The Act established a corpus that is to be invested and makes the interest earnings available without appropriation for the various activities under Section 5. However, the Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.
- *Lower Brule Infrastructure (P.L. 105-132).* The Act provides additional compensation to the Lower Brule Sioux Tribe for the taking of land related to the construction of the Fort Randall and Big Bend dams. The Congress had originally provided compensation of \$4.3 million in 1958 and 1962. Total deposits capped at \$39.3 million. The Act does not appear to transfer ownership of the money to the Tribe or create a legal claim to the funds, until it is paid to them.
- *Southern Ute Tribal Resource Fund (P.L. 106-554).* This fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.

- *Ute Mountain Tribal Resource Fund* (P.L. 106-554). The fund was established in FY 2002. As part of the requirements under Section 18 of the Act for disbursing the tribal resource funds, the Colorado Ute are required to submit a resource acquisition and enhancement plan or an investment plan to the Secretary for approval.
- *Chippewa Cree Tribal Compact ADM/Chippewa Cree Future Water Supply* (P.L. 106-163). The fund was established in FY 2001. The trust fund is established under Title I, Sec. 104, Chippewa Cree Indian Reserved Water Rights Settlement Trust Fund. The ownership of the trust fund does not convey to the Tribe until such time as the Tribe waives all claims and meets the underlying settlement requirements.
- *Shivwits Band of Paiute Indians* (P.L. 106-263). The fund was established in FY 2002. Ownership of the trust fund does not convey to the Tribe until such time as funds have been appropriated and deposited into the Trust fund; the St. George Water Reuse Project Agreement, the Santa Clara Project Agreement and the Settlement Agreement are approved and in effect; the State Engineer of Utah has approved all applications necessary to implement the provision of the Santa Clara Project Agreement, St. George Water Reuse Agreement and the Settlement Agreement; the Court has entered a judgment and decree confirming the Shivwits Water Rights and is final as to all parties to the Santa Clara Division and the Virgin River Adjudication.
- *Northern Cheyenne Indian Reserved Water Rights Settlement Trust Fund* (P.L. 103-374). This fund established a \$21.5 million trust fund for the Northern Cheyenne Indian Tribe. These funds may be used by the Tribe to make \$11.5 million available to the State of Montana as a loan to assist in financing Tongue River Dam project costs; land and natural resources administration, planning, and development; land acquisition; and any other purpose determined by the Tribe. In addition, this fund holds \$31.5 million for the enlargement and repair of the Tongue River Dam project.
- *The Crow Creek Sioux Tribe Infrastructure Development Trust Fund of 1996* (P.L. 104-223, 110 Stat 3026). The fund establishes a Crow Creek Sioux Tribe Infrastructure Development Trust Fund. In FY 1997, \$27.5 million was deposited into the Fund. The interest earned from the invested principal is available for payment to the Tribe for tribal educational, health care, recreational, and other projects.

# **TAB INSERT**

**Fiscal Year 2013 Annual Report to Congress**





Office of the Special Trustee  
for American Indians

Fiscal Year 2013  
Annual Report to Congress



United States Department of the Interior  
Office of Special Trustee for American Indians  
Washington, D.C. 20240

March 10, 2014

Dear Member of Congress:

I am pleased to provide the Office of the Special Trustee for American Indians (OST) fiscal year (FY) 2013 annual report to Congress pursuant to the requirements stated in 25 U.S.C. § 4043 (f). The report presents OST's ongoing actions to improve services to tribal and individual Indian trust beneficiaries.

OST provided significant support to the Secretarial Commission on Indian Trust Administration and Reform and the Land Buy-Back Program for Tribal Nations, as well as supplied beneficiary data for the *Cobell* Settlement payments. Both the Commission and the Buy-Back Program were created as part of the terms of the *Cobell* Settlement, Title I of the Claims Resolution Act of 2010. Partnering with the Bureau of Indian Affairs (BIA) and other bureaus and offices within Interior, other federal and state agencies, and tribal leaders and organizations improved the quality of our services.

During FY2013, OST prepared its FY2014-2018 Strategic Plan. The plan was a key recommendation of the OST Efficiency Study conducted in FY2012. The plan represents the collaborative efforts of OST management and team members from across the organization. It charts a path of continuous improvement through effective planning, implementation, and follow-through over the next five years. The plan updated OST's mission statement, created a new vision statement, established a written set of organizational values, and identified broad strategic areas of focus. Looking forward, OST is well prepared to fulfill its vision to be the premier public service organization dedicated to the Indian Fiduciary Trust and its mission to honor our trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets.

I welcome your feedback on the content in this report. Please contact my office at 202-208-4866 for additional information about OST and the Indian Trust Administration System.

Sincerely,

Michele F. Singer  
Principal Deputy Special Trustee

## Office of the Special Trustee for American Indians Fiscal Year 2013 Annual Report to Congress

The Office of the Special Trustee for American Indians (OST) was established by the American Indian Trust Fund Management Reform Act of 1994, Public Law 103-412 (Reform Act). The office was created to improve the accountability and management of Indian funds held in trust by the federal government. As trustee, the Department of the Interior (Interior) has the primary fiduciary responsibility to manage tribal trust funds and Individual Indian Money (IIM) accounts, as well as resources that generate income for those accounts.

The Indian trust includes 55 million surface acres and 57 million acres of subsurface minerals estates held in trust by the United States for American Indians and Indian tribes. Over 11 million acres belong to individual Indians and nearly 44 million acres are held in trust for Indian tribes. On these lands, Interior manages over 119,000 leases for such things as mineral development, oil and gas extraction, and grazing. It also manages approximately \$4.6 billion in trust funds. For fiscal year (FY) 2013, income from financial assets and from leases, settlements and judgments, use permits, and land sales, totaling approximately \$791 million, was collected for about 393,000 open IIM accounts. Approximately \$642 million was collected in FY2013 for about 3,000 tribal accounts (for over 250 tribes).

OST and other bureaus and offices within Interior follow the trust principles first issued in April 2000 with Secretarial Order 3215, and incorporated into the Departmental Manual (303 DM 2). These trust principles provide for the proper discharge of the Secretary's trust responsibilities for administering Interior's Trust Administration System (TAS).

### **IIM Trust Fund Independent Audit Outcome is "Clean"**

OST's independent annual audit, completed November 18, 2013, by KPMG LLP, resulted in an unqualified opinion for the Individual Indian Money (IIM) Trust Fund financial statements for fiscal year 2013. This is the first time the audit has resulted in an unqualified opinion, informally referred to as a "clean" audit, since the initial audit was prepared in 1995.

OST took over the trust funds management in 1996. Since that first audit in FY1995, OST has corrected more than 47 deficiencies and seven material weaknesses. Current and past annual audits are available on the OST website at [www.doi.gov/ost/audit](http://www.doi.gov/ost/audit).





## Supporting the Terms of the *Cobell* Settlement *Secretarial Commission on Indian Trust Administration and Reform*

The Secretarial Commission on Indian Trust Administration and Reform (Commission) was tasked with conducting a comprehensive evaluation of the Department of the Interior's management of more than \$4 billion in American Indian trust assets and offering recommendations for improvement. The Secretary named five prominent American Indians to the Commission in November 2011. The Commission presented its final report to the Secretary of the Interior in December 2013. (The report is available at [www.doi.gov/cobell/commission/upload/Report-of-the-Commission-on-Indian-Trust-Administration-and-Reform\\_FINAL\\_Approved-12-10-2013.pdf](http://www.doi.gov/cobell/commission/upload/Report-of-the-Commission-on-Indian-Trust-Administration-and-Reform_FINAL_Approved-12-10-2013.pdf).)

Over the two-year term of the Commission, OST personnel supported the Commission as it conducted an extensive outreach campaign to give American Indians and Alaska Natives an opportunity to provide input. OST-assigned staff supported the Commission as it held seven public meetings across the country and conducted five webinars. Events geared specifically to youth were conducted at three meeting locations. Summaries and transcripts from public and webinar sessions, as well as biographies of the five Commissioners, are available at [www.doi.gov/cobell/commission](http://www.doi.gov/cobell/commission).

OST provided direct administrative and technical support to the Commission, hired the Grant Thornton LLC consulting firm to support the Commission in completing its tasks, and coordinated extensive Interior-wide data gathering required by Grant Thornton under some very tight deadlines. To ensure that Commission members were well briefed, OST compiled documents containing background material about Interior's Trust Administration System as well as information regarding OST's history and the current operations of its programs. OST and Interior staff participated in detailed interviews with the Commission's consultant, Grant Thornton.

### *Land Buy-Back Program for Tribal Nations*

The Secretary of the Interior established the Land Buy-Back Program for Tribal Nations (Buy-Back Program) to implement the land consolidation provisions of the *Cobell* Settlement. The settlement provides a \$1.9 billion Trust Land Consolidation Fund to consolidate fractional land interests across Indian Country. The Dawes Act (1887) divided reservations by allotting a number of acres on the reservation to each Indian head of a family, single person, or orphan child. Often, when an original owner of an allotment passed away, ownership of the tract was split among family members. Each person inherited an undivided interest in the original tract. The increasing number of owners per tract, or fractionation, has continued for many generations. Today, many

tracts have hundreds of owners. There is a negative economic impact of fractionation because 51 percent of a tract's owners need to agree before the tract can be developed or used for such things as grazing, mineral extraction, oil drilling, or other economic development. A tract with hundreds of owners is at a significant disadvantage to reach consensus for use of the land. Reaching consensus is further complicated because thousands of owners do not keep updated contact information on file with OST and, therefore, their whereabouts are unknown.

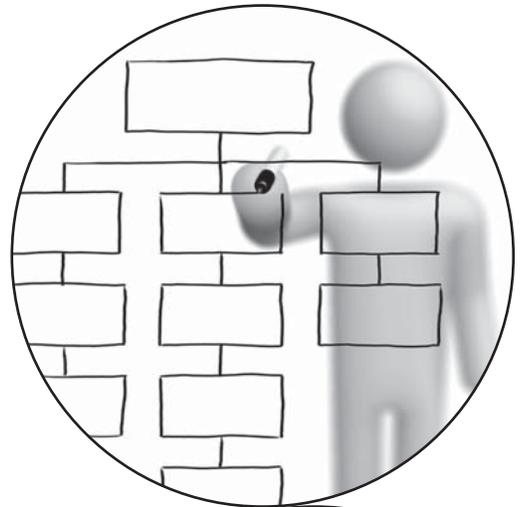
The Land Buy-Back Program is managed out of the Office of the Secretary within Interior. Operational aspects of the Buy-Back Program are housed within OST and BIA. Please reference [www.doi.gov/buybackprogram/index.cfm](http://www.doi.gov/buybackprogram/index.cfm) for more information about the Buy-Back Program.

The Land Buy-Back Program Valuations (LBBPV) Division, within OST's Office of Appraisal Services, was created to complete land valuations for the Buy-Back Program. The LBBPV Deputy Director coordinates schedules and workload with the Program Manager of the Buy-Back Program. OAS and Interior's Buy-Back Program entered into a Memorandum of Understanding on May 24, 2013, to fund the cost of completing the land appraisals.

Land valuation, a technical process that provides a baseline or benchmark, enables decisions to be made about fair market values. The land valuation process ensures that impartial opinions of value are consistent with requirements identified in national appraisal standards.

In FY2013, OAS developed a valuation plan outlining methodologies to be used to determine fair market values for the Buy-Back Program. The Appraisal Foundation independently evaluated and approved OAS's real estate appraisal methodologies as complying with professional appraisal standards. OAS also developed and implemented a mass appraisal model, identified as the Mass Appraisal Valuation System (MAVS). It was successfully used to perform about 3,000 appraisals on two Indian reservations in South Dakota.

Many other OST personnel are supporting the Buy-Back Program in the areas of outreach, coordination, and informing field offices and tribes about LBBP initiatives. OST budget staff planned, tracked, and provided data on expenditures for appraisal work conducted for the Buy-Back Program. OST's Trust Beneficiary Call Center serves as a key source to answer questions and provide information about the Land Buy-Back Program. OST's Fiduciary Trust Officers also address many Buy-Back Program issues when they interact daily with beneficiaries. Trust Services collaborated with the Buy-Back Program to enable





- timely automated distribution of funds to IIM beneficiary accounts when a fractionated interest in land is purchased.

### ● **Cobell Settlement Payments**

- OST is working with offices within Interior, the Department of Justice, and Special Master Richard A. Levie, along with the claims administrator and the plaintiffs' counsel, to provide up-to-date beneficiary data for payments. The Trust Beneficiary Call Center and OST Field Offices responded to an extraordinary volume of beneficiary calls regarding the payments in FY2013. The *Cobell* Settlement Agreement assigned a Court-appointed claims administrator, Garden City Group, with the responsibility of identifying all Trust Administration Class members and calculating each member's pro rata share of the settlement funds.

- OST's technical assistance resulted in the successful distribution of the majority of payments for Historical Accounting Class (HAC) members during December 2012. Of the 288,049 HAC payments made, 94 percent were cashed. The total amount paid and cashed was \$279,163,000 (223,508 checks cashed and 55,655 EFT transfers). OST continues to work with the claims administrator to locate additional members of the HAC. As of mid FY2013, a total of 496,965 Trust Administration Class (TAC) members had been identified.

### ● **Managing Financial Assets of the Indian Trust**

- Despite operating under a continuing resolution and hiring freeze, OST accomplished a significant amount of work in FY2013 on behalf of individual Indian and tribal beneficiaries. Many efforts resulted in cost savings, in addition to improved services. OST continues to be a premiere public service organization. Significant accomplishments include the following.

#### ● **Beneficiary Services**

- – Received \$1.4 billion and disbursed \$1.2 billion from tribal and individual Indian beneficiaries' accounts (73% disbursed electronically)
- – Managed 393,000 IIM accounts and 3,000 tribal accounts
- – Processed and reconciled more than 37,000 transactions daily (9.3 million annually)
- – Processed approximately 789,000 disbursements, about 233,000 issued electronically (30%) and about 556,000 issued by paper check (70%)
- – Provided 880,000 periodic performance statements to beneficiaries
- – Prepared more than 15,000 tax forms
- – Processed approximately 8,835 probate packages
- – Updated mailing addresses for 32,885 IIM accounts that were whereabouts unknown (account without current address information on file with OST) and disbursed \$37.9 million to those account holders



- Received 230,479 calls at the Trust Beneficiary Call Center and achieved an overall first-line resolution rate of 95% (industry average 49%)
- Performed 147,449 Routine File Maintenance (RFM) account updates, of which 29,972 were requests for one time disbursements that totaled \$97,296,706 (funds were received by beneficiaries within three days)
- Achieved on-time mailing of more than 1.2 million documents, including 290,902 checks; 824,749 IIM statements and 6,361 tribal statements; 496,108 oil and gas statements and/or checks; 48,104 advice notifications; and 11,729 special mailings

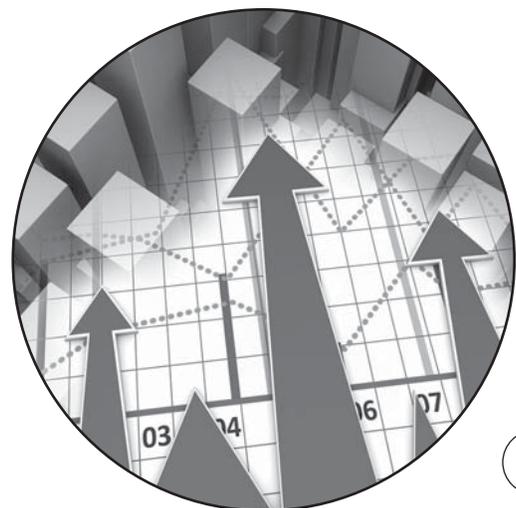
### ***Self-Determination/Empowerment***

- Invested \$4.6 billion of trust fund assets to help meet the needs and objectives of tribal and individual Indian beneficiaries
- Presented 364 financial empowerment courses to trust beneficiaries
- Contracted with a Native American storyteller and an illustrator to write and illustrate a series of six stories to educate Indian youth about financial skills as part of OST’s financial empowerment effort
- Developed a social media presence by creating and launching 50 Facebook pages, associated with 100 new website pages that highlight local staff, events, and Whereabouts Unknown lists
- Operated 35 agreements with contracting and compacting tribes under Public Law 93-638 Indian Self Determination and Education Assistance Act
- Communicated with tribal leaders and organizations, beneficiaries, and other stakeholders by producing the quarterly Trust Matters newsletter, news releases, the FY2012 annual report to Congress, posters, updates to brochures and other existing publications, and producing new publications
- Revamped the OST policy structure to emulate Indian Affairs, converted OST directives to a new format, and created a policy and directives section on the OST website



### ***Workplace Improvements***

- Completed negotiations for consolidation of OST office space in Albuquerque for a 50 percent space reduction, resulting in future annual lease savings of \$1.5 million dollars
- Conducted safety and security inspections of 28 facilities to ensure safe working environments and completed reviews of transactions on 83 charge cards to deter inappropriate use of OST funds
- Negotiated lower costs for use of a Continuity of Operations alternate work site
- Developed or arranged for the delivery of a wide range of employee training and expanded computer based training offerings, resulting in minimized travel expenses





### **Appraisals**

- Established a new Valuations Division within the Office of Appraisal Services to support the Land Buy-Back Program for Tribal Nations
- Completed a total of 3,431 appraisals

### **Records/Litigation Support**

- Received 16,766 boxes of inactive Indian trust records at the American Indian Records Repository (AIRR) from Interior offices
- Accommodated approximately 384 visiting litigation researchers at AIRR
- Delivered 731,743 documents (1,890,667 pages/images) to Interior's Office of the Solicitor and to DOJ for privilege and confidentiality reviews as part of the government's effort to respond to formal discovery requests of the Navajo Nation's tribal trust litigation
- Updated Trust Fund Expedited Settlement Evaluation Method (ESEM) calculations for 26 tribes or tribal entities
- Compiled a database of over 39,000 per capita beneficiary names in support of Pembina Judgment Fund litigation settlement efforts
- Disbursed \$343,240 Special Deposit Account (SDA) funds
- Combined the work processes for the Youpee and SDA projects, resulting in reduced contractor costs (The Youpee project began in April 2009 to distribute a total of \$7.8 million, with interest, from 453 accounts involving over 300,000 transactions; \$3.8 million remains to be distributed. There are 10,254 SDAs, involving \$10,523,824, plus interest from December 31, 2002, remaining to be resolved and distributed.)
- Eliminated the backlog of Records Move Requests and improved the processing of requests with 87 percent being completed within five days
- Reorganized divisions within OST's Office of Records Management to reduce payroll costs, add flexibility to assign resources, and provide promotional opportunities for entry level temporary staff
- Processed numerous Freedom of Information Act requests from beneficiaries to support potential claims under the *Cobell* Settlement

### **Process Efficiencies**

- Developed a system that reduced daily processing of Interior's Office of Natural Resources Revenue cash receipts from approximately two hours to five minutes and eliminated errors related to manual encoding
- Developed an application that automatically uploads Intra-governmental Payment and Collection system and electronic funds transfer data into the Trust Asset and Accounting Management System (TAAMS), reducing processing time and eliminating errors due to manual encoding



- Developed an automated process to provide oil and gas distribution information from TAAMS to OST, replacing a manual download process that often took days to complete
- Enhanced the Office of Appraisal Services Information System (OASIS) to extract pertinent property data from TAAMS in order to generate more accurate and efficient appraisal requests
- Enhanced market studies used to determine a high volume of agricultural rents to expedite agricultural lease renegotiations
- Reduced the appraisal request backlog within seven of the twelve OAS regions — ending FY2013 with no appraisal requests in backlogged or past due status within these seven regions
- Tested the design and operating effectiveness of internal controls within 33 OST programs through internal control reviews
- Implemented an audit software solution, gaining efficiencies in audit planning, audit tracking, monitoring risks, tracking and monitoring corrective actions, and the use of electronic work papers
- Developed a new comprehensive Risk Management Handbook that incorporated requirements in OMB Circular A-123
- Launched a series of monthly email interviews with OST Fiduciary Trust Officers (FTOs) to enhance tribal leaders’ knowledge of the responsibilities and authorities of FTOs
- Developed an ethics charter and ethics policy

### Information Technology

- Migrated 99 percent of production servers (both physical and virtual) to the BIA Albuquerque Data Center
- Completed migration of all OST users to the new Interior email and collaboration system, BisonConnect, the first major IT Transformation initiative
- Conducted a pilot project to provide online access by IIM account holders to their accounts via StrataWeb, a web-based application currently being used only by tribes for access to their accounts
- Partnered with BIA to provide greater operational security for the IT trust environment

### Planning for the Future

Producing a comprehensive strategic plan was a key recommendation of the *Examination, Evaluation, and Recommendation Analysis of the Department of the Interior’s Office of the Special Trustee for American Indians Study (Efficiency Study)* conducted by Booz Allen Hamilton, Inc. in FY2012. Significant effort was expended in FY2013 to produce OST’s strategic plan for FY2014-FY2018. Under management’s guidance, all offices within OST participated in creating the plan.

This comprehensive strategic plan is aligned with the Department’s strategic plan and will generate costs savings and efficiency improvements over its five year timeframe. Progress on individual





action items in the plan will be tracked and the overall plan will be updated as tasks are completed.

**OST Vision Statement**

To be the premier public service organization dedicated to the Indian Fiduciary Trust

**OST Mission Statement**

To honor our trust responsibilities by incorporating a beneficiary focus and participation while providing superior stewardship of trust assets

**OST Values**

To consistently and effectively provide quality service to our beneficiaries while displaying integrity in our actions, excellence in our work, and mutual respect and teamwork in our interactions

**Service** - OST employees recognize and appreciate that public service is a public trust. We consistently put service above self and honorably administer, and are responsive to, the needs of our beneficiaries – American Indian tribes, individual American Indians, and Alaska Natives.

**Integrity** - OST employees behave ethically and honestly and inspire trust by saying what we mean, aligning our behaviors to our words, and taking responsibility for our actions.

**Excellence** - OST employees see excellence as a process of continuous improvement and learning, never settling for mediocrity. We consistently strive to produce the highest quality work product in all of our assignments and activities, while being committed to innovation and creativity.

**Respect** - OST employees value diversity and unique contributions, foster a trusting, open, and inclusive environment, and treat stakeholders and each other with kindness, dignity, equality, professionalism, and trust.

**Emotional Intelligence** - OST employees use, understand, and manage our emotions in a positive, constructive way. We develop and maintain good working relationships, communicate clearly and foster collaboration across the organization, inspire and influence others, work well in a team and manage conflict, all while striking an appropriate work-life balance.

**Looking Forward: FY2014**

In FY2014 and beyond, Interior will maintain its emphasis on improving services to beneficiaries of the Indian trust. The following projects commenced in FY2013 and are expected to come to fruition in FY2014.

***Routine File Maintenance (RFM) Paperless System***

OST is developing a paperless system to process almost 150,000 RFM requests it receives each year. RFM requests include one-time disbursements, address changes, name changes, social security number updates, telephone number updates, minor account updates, and account restrictions.

In FY2013, work began on an application that will be web-based and available to all OST Field Operations staff who initiate account updates. Under the old process, the length of time for a transaction to be completed was five to ten days. The new application will result in requests that could be initiated and processed on the same day.

### ***Control Desk Software***

A major software revision is in the works to timely and accurately process trust transactions. Currently, OST's Trust Services uses a paper-based system to track work. The new "control desk" software will track a work request from the time it comes in until it is completed. The new software will not only track the work but it will create a paperless system, which will cut costs and reduce processing time. Moving to a system that is paperless means that employees will be able to work from different locations, creating the opportunity for employees to telework. The benefits of teleworking include improved work/life balance, reduced office space costs, and less traffic and reduced emissions into the environment.

### ***Royalty Account Reconciliation Engine Software***

OST will enhance the functionality of the Royalty Account Reconciliation Engine (RARE), a software tool used to reconcile oil and gas royalty collections received from the Office of Natural Resources Revenue, processed through Indian Affairs and then disbursed by OST. Enhancements include more efficient transaction matching algorithms, more detailed reports, and greater flexibility for the reviewer to ensure that all transactions are properly reconciled.

### ***Interagency Check Printing***

OST continues discussions with the U.S. Department of the Treasury to transition to Treasury the printing and mailing of trust fund statements and checks. OST's lockbox operations may also be assumed by Treasury. This move would reduce costs and improve efficiencies.

### ***Data Storage Consolidation***

Discussions have already been initiated with BIA and Interior's Office of the Chief Information Officer regarding the consolidation of data storage services at co-located field locations. Due to aging file servers at such OST/BIA field sites, OST will leverage and use BIA's newer and more robust data storage infrastructure in FY2014. The partnership will enable both organizations to save money, reduce their physical footprint, and improve service to OST users.

### **Conclusion**

OST will continue its critical role in the oversight and operations of the fiduciary trust in accordance with all applicable Congressional actions and regulatory requirements. OST's activities will ensure the proper discharge of the fiduciary trust responsibilities of Interior's Trust Administration System.





**U.S. Department of the Interior**  
Office of the Special Trustee  
for American Indians

1849 C Street, NW  
Room 3256  
Washington, DC 20240  
202-208-4866

4400 Masthead Street NE  
Room 323  
Albuquerque, NM 87109  
505-816-1081

[www.doi.gov/ost](http://www.doi.gov/ost)

Trust Beneficiary Call Center  
1-888-678-6836